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No. 30,117

Tuesday December 23 1986

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Werld news

Libyan offensive in Chad halted

fourth day in a row following an of-fensive by 2,000 Libyan troops to gain control of three small towns which hold the key to the Tibesti

The offensive, backed by tanks, aircraft and heavy artiflety, was halted by violent sandstorms as much as by the resistance of troops loval to Mr Goukount Oueddei. Colonel Muammar Gadaffi, the

Libyan leader, accused France and the US of military interference in Chad and said his country would meet border threats with all its might". Page 3

Hamburg bomb hunt

Police were searching for incendlary devices in Hamburg shopping centres after nine explosions in 24 hours caused millions of dollars

Pakistan reshuffle President Zia ul-Haq of Pakistan

swore in a slimmed-down cabinet of 16 to replace the 35 who resigned in the wake of Karachi ethnic riots which left 185 people dead. Page 3

Uruguayan amnesty

A controversial amnesty has been granted to Uruguayan military leaders accused of human rights violations after acrimonious debates io parliament which led to scuffles and exchanges of blows. Page 4

N-plant rejected

The West German state of Hesse. ruled by a Socialist-Greens coalition, has rejected plans to build an atomic power station. Page 2

Captives go free

Mozambican right-wing rebels freed their last remaining foreign captives on the Malawi border ia a Christmas goodwill gesture. The eight released were a Briton, a West German and his wife and daughter and four Portuguese. Page 3

Melilla shops shut

Most Moslem shops in the Spanish North African enclave of Melilla were closed at the start of a two-day protest against restrictions on full can origin.

Vanunu 'abducted'

Mr Mordechai Vanumi, the former Israeli auclear technician accused of selling his country's atomic secrets, managed to convey a message to the press indicating that he was abducted in Rome. Page 3

Radioactive sales

Dealers, including agents from Egypt and Central America, are bid-ding to buy 5,000 tonnes of radiooctive powdered milk stored in boxcars on a Bavarian railway siding, a spokesman for the state environ-ment ministry in Munich said. Cows from which the original milk came had their feed contaminated by the Chernobyl disaster.

iraqi air raid toii

At least 100 civilians were killed and many more were wounded when Iraqi warplanes bombed the Iranian city of Islamabad-e Gharb, the Iranian national news agency

irish treasure

An eighth century book shrine, containing a copy of the gospels and said to be a treasure ranking with the Book of Kells, has been found at the bottom of an Irish lake.

Fat One pays off

El Gordo (the Fat One), Spain's 5550m Christmas lottery, brought windfalls for an old people's home in Palencia, northern Spain, which won \$3.7m, and for a Spanish immigrant in Australia who holds two winning talents.

Business summary **Boral** bid for Blue Circle subsidiary

BORAL. Australia's leading build-ing products group, has made an A5573m (US\$363m) takeover bid for Blue Circle Southern Cement, Australia's largest cement manufactur Industries of the UK. Page 12

RUPERT MURDOCH, the medimagnete with interests in Australia, the UK and the US, has made a general offer of HK\$77 (US\$9.8) share for the outstanding 46.2 per cent stake he does not already own in the South China Morning Post, Hong Kong's leading English lan-guage newspaper. Page 13

MERRILL LYNCH, the US brokerage and investment house, has can-celled plans to sell outright its large residential real estate business, which was widely thought to be worth at least \$500m. Page 13

GENERAL ELECTRIC of the US is providing a credit line of \$500m to its newly-acquired brokerage sub-sidiary Kudder Peabody in an ag-gressive move designed to thrust Kidder into the current boom business on Wall Street. Page 13 WALL STREET: The Dow Jones industrial average closed down 2.67 at

1,925.18. Page 28 LONDON: Hopes that the Opec poliry agreement would lead to a reduction in the upward pressure on interest rates boosted share prices. The FT-SE 100 closed 20.0 higher at 1,652.2 and the FT Ordinary index added 14.0 to 1,285.1. Page 28 TOKYO: Light selling dealt a blow

to share prices after earlier surges to new peaks. The Nikkei market average closed 104.63 lower at 18,825.40, Page 28 DOLLAR closed in New York at DM 1.97701 SFr 1.65925; FFr 6.4925; and Y162.65. It fell in London to DM 1.9780 (DM 2.9060); FFr 6.4975 (FFr 6.5725); SFr 1.8595 (SFr 1.8845), and to Y162.75 (Y163.15). On Bank of England figures the dollars index

fell to 109.9 from:110.8. Page 21 STERLING closed in New York at \$ 1.4425. It rose in London to \$1.4420 (\$1,4330), It also rose to Y234.50 (Y233.75), but fell to DM 2.8525 (DM2.8750), FFF 9.3700 (FFF 9.4200) and SFF 2.3925 (SFF 2.4150). The pound's exchange rate index fell 0.1 to 88.5. Page 21

GOLD rose 25 cents to \$393.75 on Zurich to \$394.25 from \$395.00. In New York the Comex February settlement was \$396.3. Page 20

WEST GERMANYS trade surplus continued at a high level in November with the total for the first 11 months of 1986 topping DM 100bn, more than the 1985 record for the

whole year. Page 2 VOLKSWAGEN, the West German motor group, is buying a further 24 per cent in Seat, the loss-making Spanish car company, to bring its total shareholding up to 75 per cent by the end of this year. Page 13

PARIBAS, the French banking group, has published its half yearly results for the first time in preparation for its privatisation next month. The group recorded net profits of FFr 1.8bn (\$273.9m) in the six months to June compared with FFr 2.7bn in the whole of 1985.

MALAYSIA'S largest newspaper publishing group, New Straits Times, has reported a 33 per cent drop in pretax profits to 24.5m ringgit (59.5m) for the year ended August and cutting its dividend in half.

PORSCHE, the West German huxury sports car maker, has left itself "uncomfortably exposed" to fluctua-tions of the dollar against the D-Mark because of its heavy depen-dence on the US market, according to a Phillips & Drew report. Page 4 JOY MANUFACTURING, the Pittsburgh-based industrial equipment maker which recently rejected a \$31 a share tender offer from Pullman-Peabody, has agreed to be pur-chased by an affiliate of New York investment firm Adler & Shaykin

Chirac faces new test over public transport strikes

French Prime Mioister, sought yesterday to defuse the spreading strike in French public transport which risks turning into a major aew test for his Government. Rail traffic in France yesterday

was virtually paralysed by the strike, stranding thousands of holi-day travellers. The Paris Metro and by the strike as were ferry services

The railway unions and the So-ciete Nationale des Chemins de Fer (SNCF), the state railway company, were due to start negotiations to try to end the strike last night. Mr Chirac called an emergency meet-ing of ministers to review the situation and subsequently appealed to public sector workers and employ-ees of nationalised groups to return to work.

la a communique after the spe-cial interministerial meeting, the Government said France was now at a crucial stage in its economic recovery programme. It also renewed its call for moderation in price and wage increases next year and said that public sector wage increases should reflect, on average, the rise

MR JACQUES CHIRAC, the price inflation rate of 2 per cent forcing through Parliament at the The latest strikes have caused considerable turmoil on the rail-ways in the busy Christmas holidays, and are now seen as a further political challenge for Mr Chirac's

> earlier this month. The Government's decision to a front page editorial yesterday back down to the students, by withdrawing its controversial university stemmed from the impression of reform hill is seen as one of the weakness it had given, first in the reform bill, is seen as one of the main prompts for the wave of transport strikes. Railway workers are with the farmers. seeking to force the Government's

conservative Government, still try-

ing to recover from student protests

package to farmers to help compen-sate for the decline in their incomes in the last few years and for the lat-with a strike in the SNCF ticket res-

week to reaffirm its authority by creases next year.

last minute its new legislation on flexible working hours, opposed by President Francois Mitterrand. But even the right-wing press has ac-knowledged that the Government faces an uphill task to re-establish itself fully after the student pro-

The right-wing Le Figure said in student affair and subsequently

Indeed, the transport unrest behand in the same way as the stu- gan last week as a series of specific dents.

Moreover, the Government last the Air Inter domestic airline went week sought to appease a growing protest movement among farmers protest movement among farmers and the surface airliners with two instead of by granting a FFr 2bn (\$300m) aid duce airliners with two instead of

est EEC agreement on milk produc-tion cuts. The Government also ees seeking a special boms after faced a strike of more than a week the introduction of new electronic at Agence France Presse, the booking systems. However, the French aews agency, which led to strike quickly snowballed as the the resignation of its chief execu- unions and other rail employees en-

tered the fray, calling, among other The Government sought last things, for pledges on salary in-

OECD warns of danger in US budget deficit

BY GEORGE GRAHAM IN PARIS

THE Organisation for Economic There is no ultimate guarantee Co-operation and Development that the required budget cuts will (OECD) has sounded a warning of the carried out, following the Su-

organisation says in its yearly as- in the US is actually implemented. sessment of the US economy. Failure to achieve steady reductions in the US federal deficit could

der progress towards lower interest rates, the OECD says. It could also huge US external deficit. The OECD report suggests some

scepticism over the prospects for tions promised by the US Administration, and says they are based on relatively optimistic assumptions.

danger ahead if the US does not re-duce its federal budget deficit.

Cutting the budget deficit is the chamism provided for in the recent top priority both for the sake of US balanced budget act. But the OECD economic growth and for the inter-national economy, the Paris-based the reduction in the budget deficit

Over the medium term, the need for fiscal correction is reinforced by the growing interest rate burden on lead to a bond market fall and hin-US Government debt. This could limit fiscal flexibility in the future

be contained in long term interest rates, enhancing the growth prospects of the US economy through higher productive investment.

Overall, the organisation projects GNP growth of 3 per cent of the US in 1987, with the unemployment rate declining to 8.7 per cent. achieving the budget deficit reduc- be contained in long term interest

Fiscal correction may also be the key to adjusting the US external imbalance, the OECD suggests. The organisation calculates that the US external deficit may still be

in the order of \$100bn, or 2% per cent of gross national product, even when the lagged effect of the de-cline of the dollar to date have worked through. Beyond that, the trade balance would be unlikely to narrow much unless US competitiveness improved further. "Although there is no generally

agreed precise definition of what constitutes an unsustainable cur-Steady reduction of the deficit for correction of the current acwould reduce or eliminate whatever count deficit is clear," the OECD "budget deficit premium" may still says.

Crude prices buoyant after Opec accord

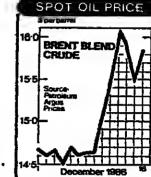
OIL prices rose yesterday to their highest levels for 10 months in response to the agreement reached over the weekend by the Organisation of Petroleum Exporting Countries to cut oil production and fix prices around a reference point of \$18 a barrel.

In London the price of Brent rude oil for delivery in February jumped at one stage to \$18, more than double the price in July and about \$3 higher than before the Geneva meeting a fortnight ago.

As the day progressed enthu-siasm waned slightly, leaving prices for February at \$17.45, about \$1 ligher than Friday's close. In New York the movement was

less pronounced, with West Texas Intermediate trading about 80 cents higher at \$17.20 by mid afternoon. Analysts yesterday expressed hope that Opec would succeed in limiting production to around the 15.8m barrels a day (b/d) collective ceiling agreed by 12 of the 13 mem-

Production for the first quarter is expected to be about 15.5m b/d compared with present production of about 17.3m b/d. This will include at least 1.8m b/d from Iraq, which is not party to the agreement, but has inal quota of 1.47m b/d writ-



Traders appear hopeful that cheating by member countries which has continued in the past few months with Saudi Arabia, the UAE and Kuwait all producing above quota, could be restrained under

Mr Mehdi Varsi, oil analyst at Kleinwort Grieveson, said yester-day: "The extraordinary common sense of purpose by the member states was something just short of miraculous. He predicted that pro-duction in the first few months of aext year would be close to the ceil-The market was more doubtful

yesterday about whether Opec Continued on Page 12

Sterling makes initial form programme and over the apparent loss of Communist Party gains after oil pact

BY JANET BUSH IN LONDON

STERLING rose sharply yesterday in an initial reaction to the agreement at the weekend by the Organisation of Petroleum Exporting Countries (Opec), but buying tailed off later as focus switched to today's UK balance of payments figures.

The pound made some headway against the dollar, which was itself under pressure, but lost ground against most European currencies. Foreign exchange dealers said that the market was thin yesterday as few traders were willing to take aggressive positions ahead of Christmas.

bounce further in response to the risen some way last week on hopes Opec agreement, which was greet of an Opec agreement. There was

ed favourably by other markets. Prices on long-dated UK Govern-ment bonds ended around one point tributed the relatively muted mar-

On the London Stock Exchange, equities responded strongly to the Opec agreement. The FT-SE 100 index closed 20.0 points higher at 1852.2 and the FT ordinary index rose 14.0 to 1286.1.

Sterling closed at DM 2,8525 compared with the close on Friday at DM 2.8750, but was higher again the dollar at \$1.4420 compared with Friday's closing \$1.4330. The Bank of England's trade weighted index finished at 68.5, lower than yesterday's opening at 68.8 and Friday's

One reason for sterling's failure were surprised that sterling did not yesterday was that it had already some concern about Iraq's refusal to sign the deal but dealers still at-

Continued on Page 12

Chinese leaders' tolerance turns to toughness

Gulf War sharks

continue to do

well, Page 3

PROTESTERS surrounded the

Shanghai city hall again yesterday as militant posters appeared at the city's universities in defiance of a virtual ban by the Chinese Government on the student demonstra-

Official patience started to run out yesterday as thousands of stu-dents went into the fourth day of demonstrations in Shanghai. The Government warned that some protesters have committed counter revolutionary crimes.

Several thousand students also gathered in Peoples Square, in the city centre, and erected banners calling for "human rights and democracy." They chanted slogans such as "down with the new bureau-

The switch of attitude by the Government from tolerance to tough-ness began overnight when the official news agency, Xinhua, released a statement accusing the protesters of injuring 31 police and alleging that provocateurs were taking advantage of the students' "patriotic

Diplomats believe that the spate of protests, which began in Shanghai on Friday after similar protests at other major universities in the previous two weeks, are likely to have prompted intense political de-bate within the Chinese leadership over the course of the country's re-

There were fewer demonstrators yesterday than on the previous three days, and the police were more aggressive in trying to disperse those who had gathered in front of the government building on the Shanghai waterfront. Several times westerday short 200 police of times yesterday about 200 police officers pushed the students and workers back towards the Huangpu River, and a public address system warned those on the road that they were breaking the law.

Behind yesterday's protests lay a variety of vague complaints as well as anger over police notices forbid-ding street marches and warning of arrests. Students with whom I spoke had complaints ranging from reform moving too quickly to the slowness of the reform programme.

One worker complained that his bosses got all the benefits and he got nothing, while others voiced disapproval of price rises, the lack of press freedom, police brutality. Chi-na's backwardness, and the stultify-However, the students' drive for

democracy has shown that at least

Continued on Page 12

Key EEC exports face higher tariffs in grain row with US

BY QUENTIN PEEL IN BRUSSELS

diate date for their implementation. ent climate.

The 12 permanent representa-tives of the EEC member states in

Brussels met yesterday to confirm their request for a month's delay beyond the December 31 deadline for resolving the conflict – poten-tially the most serious dispute be-tween the two blocs in recent years. They offered dates in January for

further negotiations on compensa-tion for the loss of up to \$500m in US sales of maize and sorghum fol-lowing Spain'a entry into the EEC last January. No response has yet been re-

resolve their dispute over lost grain political pressure not to be seen to sales to Spain - but to set no imme-make any concessions in the pres-

The move would keep up the pressure on the Community to offer improved compensation, but allow less looking more hopeful yestermore time for a settlement in the day of getting a Christmas and New Year break from the settlement effort and returning to the talks in

> US retaliation is expected to affect sensitive European exports like wine, brandy and cheese – all coming mainly from France – regarded as the strongest EEC opponent of generous compensation. Tariff hindings have already been re-moved from those products in preparation for such action.

The Community has already announced that it will stand by its de-

EEC TRADE aegotiators expect the ceived from Washington on the Eu- US sales of corn gluten feed, rice US to announce tariff increases for ropean request for a postponement and wheat — and thereby hit the key European exports before the of hostilities, but the Reagan Adend of the year because of failure to ministration is known to be under sure on Washington.

The Community has shifted from its original stance of offering com-pensation only in terms of industrial sales to Spain, and is now prepared to accept non-Community supplies of feedgrain to Spain totalling 1.6m tonnes.

That is still a long way short of the US demand for compensation. which seeks guaranteed sales of around 3m tonnes out of a Spanish import need estimated (by Washington) at 4.4m tonnes.

If immediate retaliatory measures are imposed by the US, the Community will suspend action on the temporary truce deal agreed last July, under which it would im-port 234,000 tonnes of feedgrain

Some 650,000 tonnes remain to be termination to respond to any such bought under that arrangement be-measures with counter-action to hit fore the end of February.

ONE TRIP TO



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Gulf War: the sharks con- UK motor industry: new

West Germany: failure to live Editorial comment: Opec; up to the luxury boom . . . 2 Gorbachev 10

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in a leveraged buyout worth 5620m.

tinue to do well 3 plan, an old problem ... 10 Management: mock vintage Canada: joining in the grain

Technology: Olivetti and the Lex: Opec; Blue Circle; modern day Galileo 8 TSB; Hillsdown 12

Enancial Times Saturday, potention, voss

EEC agrees shipbuilding aid code

present system expired at the end of this year — a prospect which member states feared would lead to both harsher and less consistent controls than

Three more steps were agreed by EEC industry ministers yester-

day towards the creation of barrier-

regulation that will oblige public au-

supplies, bring to 47 the number of internal market decisions taken

during Britain's six-month presid-

ster, in a letter to fellow heads of

Government, urging faster progress on internal market decisions.

munications system that is due to

update and expand on the present

noise limits for construction equip-

day blocked agreement because it

wanted tougher standards than pro-

posed by the European Commis-

1986 in a programme agreed by the

Netherlands, the UK and Belgium -

due to take over as EEC president

at the turn of the year - but it is far

ment. Copenhagen had until yes

Ministers also agreed yes

twork in the next decade

competion for their purcha

now exist.

BY WILLIAM DAWKINS IN BRUSSELS

day agreed on a shipbuilding aid code which will limit assistance for larger contracts to 28 days agreed to reach a compromise. The Commission had threatened to ance for larger contracts to 28
Commission had threatened to per cent of cost over the next of eid permitted for each of old permitted for each individual contract after the

The accord was made possible by significant compromises from all sides with Italy and Britain scaling down their demands for more generous assistance than the 26 per cent proposed by the European Commission in its five-year shipbuilding plan.

West Germany Denmark and the Netherlands, meanwhile, abandoned their previous stannch opposition to any infree trade in goods and services in the European Community. crease in the Commission's pro-posed aid limits.

The new system, which comes thorities to introduce more open into effect on January 1, sets a 20 per cent eid ceiling on to reflect the greater competi-tiveness of that end of the merchent shipbuilding industry.

ency of the EEC.

They also complete the 13 proposals outlined last month by Mrs Margaret Thatcher, the UK Prime Min-EEC newcomers Spain and Portugal have been exempted from complying with any Com-munity ship aid limits for four years as long as they compete fairly against other EEC yards on individual contracts. on standards for the introduction of Integrated Services Digital Net-work, the new broad band telecom-

Mr Giles Shaw, the UK Minister of State for Industry, said the agreement "now offers the Enropean merchant shipbuilding industry the best possible chance for the future to compete against Far East ship-

A compromise by Denmark per-mitted another decision on new builders, especially in the more specialised sectors. It gives them both an opportunity end a real incentive to improve their performance and operate competively in the future." Including the 21 international market decisions made during the

He pointed out that the new aid ceiling comes out et 39 per cent of average price, as opposed to cost, which constituted—for British shipbuilders tuted—for British shipbuilders have sanchoned a total of 68 meaat least - a "substantial" in-

sures to encourage free trade in the EEC during 1986. That is well be-Under the present system, hind the 95 measures targeted for individual member states deter-mine their own permitted aid levels with the Commission, while the new code applies equally throughout the Community. The present code only covers direct ald. better than many observers were predicting as little as a month ago.

Soviet companies miss targets

A THIRD of all Soviet enter-prises failed to meet their contract commitments for the delivery of goods or services in the first 11 months of the year but industrial output was above target according to the news agency Tass.

Industrial output grew by 4.9 per cent and labour pro-ductivity in industry by 4.6 per cent compared to the same period last year. There was a 4 per cent increase in the fuel and energy sector which asborbs much of Soviet capital investment.

The growth of the economy this year and a good harvest of 210m tonnes of grain is good news for Mr Mikhail Gorbuchev although the country's foreign trade with country's foreign trade with the West is still suffering from the drop in the price of oil and oil products which provide most of its export

The Soviet oil industry, whose production had lagged whose production and tagged over the past three years, is now on target and there has been an 8 per cent increase in the output of gas.

The constraints imposed by

the lack of hard currency have been underlined by the official admission that the disofficial admission that the dis-appearance of coffee from most Moscow shops this summer was because the Government had decided against allocating scarce foreign exchange to meet higher coffee prices earlier this year.

Despite the good economic performance this year, the structural reforms promised by Mr Gorbachev are only being implemented from the start of 1987 or later next year. The improvement in energy and the removal of bottlenecks in transport end construction materials is mainly attributed to improved management rather than reorganisation. The Communist party

newspaper in Kazakhstan, scene of last week's riots, contain no details of the party meeting which removed Mr Dimmukhamed Kunzev, Kazakh party leader for more than 20 years and replaced him with Mr replaced him with Mr Gennady Kolbin, a Russian.

Glossy weeklies have promoted a picture of unbridled spending, Andrew Fisher reports

W. Germany fails to live up to luxury boom

IF SOME of the West German weeklies are to be believed, consumers in the Federal Republic have gone for decadence in e big way. Fur cuats, lewellery, cosmetics and fast cars have been disappearing from shops and showrooms as fast as they can be put on display and champagne, oysters and caviar are being consumed as never before as never before.

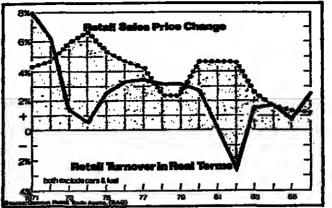
Certainly there is enough wealth in Germany to support

the luxury end of the retail trade, but the industry is quick to quell any notion that the usually solid, cautious Germans have gone overboard for luxury at Christmas or any other time With a rise in real income With a rise in real incomes that is the highest for 12 years —the Bundesbank said the advance in the first half of 1986 was 4.1 per cent—West Germans have more money in their pockets than ever hefore. The higher D-mark has made imports cheaper, low oil prices have made a big dent in energy and fuel costs end a tax cut at and fuel costs end a tax cut at the start of the year did not

go amiss.

Thus West German consumer spending has been on the rise and is likely to move further ahead next year. Shops and stores generally report bnoyant, though not sensational, Christmas business and the lack of inflation has been the physical consumers. mas business and the lack of inflation has kept up buyers' spirits. All in all, West Germans are expected to spend around DM 19bn (\$9.5bn) on o rise of about 8.5 per cent on 1985.

On this basis the glossy weeklies have sought to present a picture of unubridled



luxury. A pretty redhead stares from the cover of Der Spiegel, her hair loose around her shoulders. Around her neck is enjoyment " and " The German buying wonder," Since domestic consumption is a gem-studded silver band. She a gem-studded sliver band. She wears a fur stole.

In large pink letters, the word "Luxury" leaps from the page. The full title of the article is "The drug luxury. The Germans in a buying frenzy." Other magazines have run pieces called "The lust for

WEST GERMANY'S trade surplus continued at a high level in November, with the total for the first 11 months of 1986 topping DM 100bn of 1986 topping DM 100th (£35bn), writes Andrew Fisher. This was higher than the 1985 record for the whole year, hut 1987 is expected to show a marked decline as exports weaken in the face of the sharply stronger D-mark.

supposed to become an increas ingly more important pulse of the economy as exports weaken in the face of the D-mark's sharp rise, news of higher spending is more than welcome to West German policymakers. Real purchasing power has been boosted by an estimated DM 60bn in 1986 compared with

At DM 10.2bn, the November trade surplus was well above the DM 7bn reported for the same month of 1985. But it was lower than the record DM 10.9bn in July and the DM 10.7bn in October. The Nevember current The November current account surplus, including trade in both goeds and ser-vices, was a record DM 9.8bn compared with DM 8.8bn in

the usual DM 10-20hn. More cars are being bought, with new registrations up by 16 per cent in the first 10 months, more exotic holidays are being taken more often and shops report record business.

Yet the retail trade growth does not show a massive rise in

Yet the retail trade growth does not show a massive rise in spending, rather a steady improvement. Excluding cars and fuel, the retail trade has shown an advance of 3.5 per cent to an estimated DM 414bu this year, or 2.5 per cent in real terms. Retail prices are expected to edge up by I per cent in the first half of 1987 against the same period of 1986, the lowest increase for at least 15 years.

same period of 1986, the lowest increase for at least 15 years.
Retail trade growth in 1987 is expected to be broadly similar to this year, possibly slightly lower. With inflation down to nil—lower fuel prices have helped cancel out rises in other sectors—people do not feel processured into immediate eel pressured into immediate

Nor, apparently, are they rushing madly into the arms of luxury. "There is no luxury boom," says Mr Kurt Alberts, a director of the Karstadt store group, thereby deflating the whimsical view of a people sud-

October
The surpluses have brought repeated calls from other countries, notably the US, for action to stimulate the domestic economy. But the Government and the Bundesbank have said steady growth and a ranted rise in money. and a rapid rise in money supply make such moves as a cut in the 3.5 per cent dis-

middle range." Sales of sports and fitness gear and ciothing have bounded ahead. "Squash is very strong those days and a is hadebuild.

anead. "Squash is very strong these days, and so is bodybuilding." notes Mr Alberts. "It's a new philosophy of life to be healthy, beantiful and fit." healthy, beautiful and fit."

Always a well-dressed people, west Germans are increasing their spending on clothes considerably. The clothing sector saw ontput in 1986 expand for the first time in many years, according to a Commerchank study. Total sales were up by nearly 5 per cent in the first eight months, with exports showing a near 12 per cent

The bank said clothing and footwear accounted for some 8 per cent of consumer spending—less than in past years, as prosperity has reduced the scope for further market netration — compared penetration — compared 30 per cent on cars, travel and leisure, 26 per cent on food and drink and 18 per cent on the

thowing a near 12 per cent

In 1987 the rise in purchasing power is expected to be more moderate than this year at around DM 30bn, which leaves planty of scope for more retail trade trade growth.
So there is no reason for

So there is no reason for West Germany's shopkeepers to become euphoric. Level-headedness remains the order of the day among consumers, though many can splash out if they want to. The spend, spend, spend mentality is still only for the privileged few.

Hesse rejects proposal to build N-plant

BY DAVID MARSH IN BONN

for the first time turned down plans to construct an atomic power station, giving the clearest indication yet of the considerable hurdles placed in the path of nuclear planners by the Chernobyl reactor accident in the Soviet Union.

The state of Hesse, ruled by a coalition of the Social Democratic Pary (SPD) and the antinuclear Greens, rejected a pro-posal by the Preussen Electra utility to build a 1,300 MW pressurised water reactor at

A WEST GERMAN state has Borken in the north of the state. Christian Social Union, approval In view of the strongly anti-

nuclear campaign by both the SPD and the Greens during the run-up to next month's national elections, the Hesse decision was not surprising. But at comes at a time when the nuclear indus-try increasingly believes that, whatever the outcome of the elections, no new nuclear plant orders are likely in West Germany at least until the

beginning of the next decade. Even in states run by the pronuclear conservative parties, the Christian Democratic Union and

years is thought unlikely

In turning down the Preussen Elektra application, Mr Ulrich Steger, Hesse's Economics Minister, said a new plant would impede energy saving efforts and create over-capacity.

Although nuclear plans have often heen held up over the past decade by court decisions, the Hesse move represented the first time in West Germany that a planning application has been turned down outright by state

Swedish trade surplus falls SWEDEN'S foreign Preussen Elektra had wanted to build e plant to replace a lignite-fired power station due to be decommissioned in 1993.

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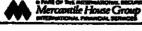
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surplus in November fell to SKr 1.8bn (£182m) compared with SKr 3.7bn in the corresponding Mainly because of erroneous planning assumptions in the 1970s about energy demand, West Germany's power station capacity is around 20 per cent more than needed to cope with peak demand. This is a strong argument cited by anti-nuclear campaigners. The Government also admits that the electricity month last year, according to the central office of statistics, writes Kevin Done in Stockholm. It was the fourth consecutive month that the surplus was lower than a year earlier. The value of exports fell in rampaigners. The Government also admits that the electricity production costs of new nuclear plants are now more or less equivalent to those of the latest fell by 3 per cent, while imports

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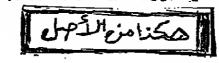
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Chad meets

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Th offensive, which is backed

Th offensive, which is backed hy tanks, heavy artillery and aircraft, was halted before Bardai, as much, it seems, hy violent sandstorms as by the resistance of the Forces Armees Populaires (FAP) of Mr Goukouni Oveddel. (At Wour and Bardai the situation was more confused. The FAP are being heiped by the Forces Armees Nationales Tobadiennes (Fant) of the Chadian President, Mr Hissene Habre. Until earlier this year, the supporters

stiff resistance

earlier this year, the supporters that the US wanted to transform of Mr Oueddel, who is the "Chad into a militar basis and former Chadian head of state, represented a menace for the wera supported by the Libyans, Arab world."

Indonesia import monopoly

system under growing fire

MINISTERIAL SUPPORT is plastics and motor components

unscathed.

Economists say the system is

BY IOHN MURRAY BROWN IN JAKARTA

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Swedish train surplus falk STEDENS forcing surplus in November is. ž Wented : place 2 1.5bn (2182m) compa SKr 3.7bn in the conse n 1995 Standards month last year, and the central office et g: :n the Writes Kevin Done is hoim. It was the ter : TIT :: Ter cent secutive month that fer iche with WES lower than a Park The value of errors to the total to the errors to the total to the errors to the err 0 Stives 7052 by 14 per cent,

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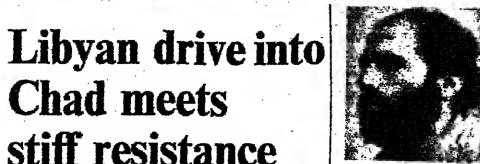
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BE



Mordechal Vanunu

Vanunu 'seized in Rome'

By Judith Maltz in Jerusalem

yesterday for the fourth day running following an offensive by 2,000 Lihyan troops on Friday 10 galo control of Bardai, Zouar and Wour, three small towns which hold the key to the Tibesti mountains in the north of this former French colors. MR MORDECHAI VANUNU, the former Israell nuclear tech-nician accused of selling his fighting is taking place north of the 16th parallel which has constituted in recent years a tacit ceasefire line between the Libyan troops which occupy prised the press waiting for him to appear before the Jeru-salem District Court on Sunday Fada and Faya Largesu, further east of the Tibesti, and the French troops which back the Chadian president. by relaying to them details of his abduction to Israel, Col Muammer Gadaffi, the Libyan head of state, said yes-terday that he would react strongly to any attack on Libya's southern frontier. He added that the US wanted to transform

He pressed his palm against the window of the police vao to display a five-lino message written on his band, of which the first lina said: "Vanum was hijacked from Rome, Italy. 30/8/86, 21,00. I came to Rome on Raby." on BA504." the rest was unintel-

Mr Vanunu was apparently trying to say that he bad flown on British Alrways flight 504 to Rome, from whare be was abduc-

On leaving the court several hours later, Mr Vanunu tried to speak in reporters. In answer to one question about the loca-tion of his abduction, he managed to shout "Rome," before the police restrained him.

widely held to be the main administratively grossly complicates for the country's high-cated, offers wide scope for cost economy. Mr Hartoto, the abuse, and provides the Government with no research to grow the ment with no research. According to Israell press reports yesterday, the country's security services are investigat-ing how Mr Vanunu managed to write a message on his band without the police noticing; why his hands were not bandcuffed; and bow he was abla to speak to reporters on his way out of the court.

say that the latest details of Mr Vanunu's abduction do not contradict earlier reports that he was flown to Israel from Paris on October 2. It is still not clear why he

suddenly travelled to Rome without notifying his contacts at the Sunday Times,

He has been charged with treason and two counts of aggravated espionage, between Jakarta and Canberra prompting Indonesia to refuse entry to all Australian

THE GULF war has bred a nev species of mercenary—the oil shuttle captain. He carries no weapons, yet his ship is a target Iran announced yesterday that its long-range artillery had begun shelling Iraq! targets in retaliation for sir attacks which Tehran Radio said had killed 80 civilians and injured many more, Our Middle East Staff reports. The this increasingly fierce He may be British, Scandisouthern Iraq! town of Basra appeared to be navian or Polish, he is often the main Iranian target. Iran claimed that most civilian casualties occurred when Iraqi sircraft struck at fice the only European on board and his vessel may be less than seaworthy. But he can earn

more in a year than he could hope to hring bome to 10 years of normal scataring.

As far as the Iranian authorities are concerned, the oil must continue to flow in order to bring in much-needed curothers by the trip. The rate for a single trip can be \$10,000 (£7,090) or thereabouts, and up to three or even four trips a rency, and they are prepared to pay over the odds.

in dollars. The charter firm employs the captain and pays - provided they surviva. him the hasic rate. What ha gets over and above that is largely what be negotiates with the National Iranian Oil Company (MIOC). to \$370 per month for the Soma are paid by the month, dangerous run, a small sum

which nevertheless compares favourably with their normal earning capacity.

Charter companies are also month are possible. Others get a flat monthly rate. Shottle captains can save enough to act up in business or contemplate retiring when their contribution to the war is over companies are going broke right and left, the chances of purchasing vessels at rock bottom prices are many. By contrast, crewmen's rates

One entrepreneur is said to bave started out by chartering look fairly small. Filipinos and Indians for the most part, they bave started out by chartering At any one time, about 12 a single shuttle ship to Iran. He ships are on charter. They now has a fleet of 22 vessels.

There is a demand not only four at a time on cartain days earn a flat rate of anything up to \$370 per month for the

western town of Islamabade-Gharb, early yesterday. Baghdad Radin denied the Iranian laim, stating that its aircraft had attacked military camps and air bases.

The Iraql raids are aimed at disrupting

The Iraq! raids are aimed at disrupting take by other tankers—the trip Iranian preparations for a fresh offensive in is complete, and NIOC personthe six-year Gulf war. Apart from military targets close to the war front. Iraq has also been hitting industrial sites.

for shuttle ships, but also for tug-boats, crew supply boats and generol cargo boats.

If a boat is hit, or has engine "Cash is more important than burnan life," commented one burnan life," commented one Strolts of Hormuz. Any visitor to man. In a world where shipping the Emirates can see a queue the Emirates can see a queue of ships lying off the coast of Fujerrab. Repairs are carried out at ports along the southern Gulf, such as Bahrain and Dubai.

the week when they have One and a balf miles off the

"mother ship."—the carrier which stores the crude for offnel complete the operation. Captain and crew can collect their cash, and make their way up to Kharg Island again.

Contracts usually run for 12 months, and time off is not encouraged. One of the worst aspects of the run, particularly for the isolated European captains, is the sheer tedium and the loneliness.

In splite of the hazards, there are many charterers, captains and erew—who find it worth their while to enable Iran to axport its oil. The price can be bigh if a vessel is hit. As one man commented: "Only the sharks are doing well out of this war—literally and figuratively."

Captives freed in Mozambique

Junejo appoints slimmed-down Cabinet

PAKISTANI Prime Minister Mohammed Khan Junejo yesterday appointed a glimmed-down Cabinet of 12 full ministers and four ministers of state, but sources close to Mr Janejo said the Cabinet would be expanded in two further stages, Mobam-

PAKISTAN IS trying a different realised.

ronia to develop nuclear weapons apart from the opera-

tion of an unsafeguarded uranium enrichment plant which has been the cause of much international concern.

Over the past two years it has made several attempts to

buy large quantities of graphite

suitable for use in nuclear reactors producing platonium, another potential nuclear

The attempts to order the

high-quality graphite, a form of carbon which can be used

in "moderating" or controlling some types of reactors, have

convinced the West that the Government of President Zla-ul

Haq bas larger military nuclear

ambitions than previously cal giant. The company con-

explosive.

Captains and crew are paid

mad Aftab reports from Islamabad. There were no new faces in the Cabinet, which is likely to Increase Opposition and business criticism that the Government is not tackling what it sees as ineffectiveness, inexpertence and lack of

Pakistan denies any plan to build nuclear weapons; its embassy in London says it has

no knowledge of ottempts to

Westarn diplomats say that Pakistan'a Kabuta enrichment plant is oow enriching uranium

from the natural level of 0.7 per cent of the isotope uranium-

235, to the 90 per cent level needed to make an atomic bomb.

But they doubt whether the plant's output is enough to make

more than 10 kg, or sufficient for one nuclear bomb.

Last year agents acting for Pakistan attempted to boy more than 100 tons of graphite through the Swiss office of

Union Carbide, tha US chemi-

purchase graphite.

talent to guide the nation's Moreover, there appears to be no political significance in the changes. Political observers are suggesting that the device of having the Cabinet resign en masse at

when this order was rejected when it realised it would not receive an export licence.

Using the graphita, Pakistan could build a reactor, not generating any powar hut producing anough plulonium to make one nuclear bomb a year.

Such a reactor would not be

Such a reactor would not be covered by international safe-

Apart from doubling tha

number of nuclear bombs that

Pakistan could produce, the advance would mean that more sophisticated designs can he developed, using combinations of both nuclear explosives in a

guarde

firmed this order was rejected both in Europe and the US one senior US official dates receive an export licence.

Using the graphita, Pakistan unsafeguorded research reactor

The conflict in the Gulf has bred a different kind of mercenary, Angela Dixon reports

War where only the sharks do well

enabla Mr Junejn tn shed several ministers who have been publicly linked to shady business deals. Reports yesterday suggested that Mr Junejo has quietly ordered high-level

capable of producing plutonium to 1984, when a Pakistan news

agency announced work on purifying locally-mined graphite

for use in nuclear reactors.

from petroleum coke.

Mozambican right-wing rebels yesterday freed their last re-maining foreign captives in a Christmas goodwill gasture, a rebel spokesman said, Reuter

reports from Lisbon.

Tha Mozambican National Resistonce (MNR) spokesman in Lisbon said the group of eight was released to the International Committee of the Red Pakistan bids for nuclear weapons graphite Cross early yesterday morning on the Malowi frontier. The group included a Briton, a West German ond his wife and daughter and four Portuguese, three of missionaries. them

> Syrians raid hideouts Syrian security forces raided suspected bideouts of Moslem Sunni fundamentalists in tha north Lebanesa port of Tripoli yesterday, security officials said, Renter reports from Beirut.

Wastern officals say that Pakistan found that this was not Tha Syrians were said to he asarching for fundamentalists they blamed for fighting which killed an estimated 30 people pure enough; reactor-grade graphite obtainable from Union Carbide is made artificially Western experts decline to say where they believe the reactor Unrest in Goa

of both nuclear explosives in a single device.

Bealdes the attempted Swiss purchase, Western diplomats are aware of other bids by the Kahuta nuclear facility run Pakistan to buy the graphite, About 900 para-military police reinforcements were deployed today in Goa as prolests against a language policy spread, Reuter writes from Bombay.

Industry Minister, over the ment with no revenue. Indoweekend joined forces with Mr nesia currently faces its worst Radius Prawiro, Finance Minister, in openly criticising the fall in the price of oil, the system, which gives monopolists the right to control exchange earner. key industrial inputs.

Mr Prawiro said last week that it was "only a matter of time" before a change. He said be preferred "import tariffs in protecting domestic producers, as this would encountered to the said be preferred to the said be prefer tarins in protecting domestic Similar allegations in the producers, as this would encourage the competitiveness of Indonesian-mada goods."

In October, the Government

Legal Notice

IN THE HIGH COURT OF JUSTICE MR REGISTRAR BRADBURN IN THE MATTER OF HAT OROUP PLC AND IN THE MATTER OF THE COMPANIES ACT 1865

NOTICE IS HEREBY GIVEN that by an Order dated the 12th day of Oscamber 1986 made in the above matters the Court has directed a Meeting to be convened of the holders of the 4,086,045 Ordinary Shares of 10p each of the above-mend HAT Enup PLC [bereinster called ' riAT'') in Issue at the 22nd Oscamber 1986 being the date of the Scheme of Arrangament hereinaller mentioned) and not beneficially owned by BCT Public Limited Comoony [" the Scheme Shares "I for the purpose of considering end if thought in approving (with or without modification) a Scheme of Arrangament proposed to be made between HAT and the holders of the seld Scheme Shares and their such Meeting will be held at the Cavendish Hotel, Jermyn 2treet, London, RWI on Friday the 9th day of January 1967 at 11,30 em at which place and time at such Scheme Shareholders are requested to attend.

attend.

Any person entitled to attend the said Meeting can obtain copies of the said Scheene of Arrangement, forms of Proxy end a copy of the Sartement required to be jurnished pursuent to Section 425 of the above mentioned Act at the registered office of HAT situats at Barley Wood, Wington, Avon, 8515 75A, and at the office of the undermentioned Solicitors at the eddress mentioned below duries the eddress mentioned below duries than a Seturday or Sunday or Benk Holiday) prior to the day appointed for the said Meeting.

The said Behaves Sharaholders may

for the gend Meeting.

The said Scheme Shereholders may vets in person at the said Meeting or they may appoint another person, whether a Member of HAT or not, as their proxy to attend and vets in their steed.

It is requested that lorms appointing prories be lodged with Revensbulling prories be lodged with Revensbulling prories 34 Sackanham Road. Source House, 34 Sackanham Road. Source House, 34 Sackanham Road. Source House, 34 Sackanham Road lor the said Meeting, but it forms stand to the Cheirmen at the said Meeting.

In the case of lotst holders the vote of the senior who tenders a vote whether in person or by proxy will be eccepted to the exclusion of the votes of the other loint holders, and for this purpose seniority will be determined by the order is which the names attend in the Register of Members of HAT in respect of the joint holding.

By the said Erder the Court

By the said Inder the Court has eppointed William Boulton or relining him Brian Keith Thomoson to act as Chairmes of the said Meeting sed has directed the Chairmen to report the result thereof to the Court.

The said Ethems of Arrangement will be subject to the subsequent approval of the Court.

Osted the 22nd day of December 1986.

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DKB ECONOMIC REPORT

Japanese economy will see moderate growth of 2.6% in fiscal year 1987

The Japanese economy has experienced a strong defla-tionary effect due to the opprecialed value of the yen, so that even stronger adjustment is being called for io general.

However, the appreciated yen has positive effects on the economy as well as negative effects. In addition, low crude oil prices are further alrengthening Japan'a economic position. These factors are not only seen as providing infrastructural support to the overall business environment, but also determine specific conditions which have various impacts oo different sectors.

First, the trends of reduced export volume and increased import volume have been observed since the spring of 1986 due to the yen's apprecia-

Reflecting these trends, the corporate sector in general seems to be sluggish, although there is a dramatic difference in the effects upon the maoufacturing and non-manufacturing sectors. The reasons for this con be described on follows. The majority of manufacturing industries have been directly suffering the negative import/export effects of the appreciated yen. Most nonmanufacturing industries, on the other hand, have not been directly suffering from the negative effects or indirectly enjoying cost reduction resulting from the yen's position and low crude oil prices. Furthermore, the non-manufacniring sector including the construction industry has been enjoying the benefit of increased public investment.

sector, consumption, first of oll, is showing sound, reliable growth. Stabilized consumer prices have acted to offset the continuing pattern of relatively low growth in household in-

Housing Investment is showing high growth. Although similarly restricted by lowgrowth consumer income, the recent effects of reduced interest rates and the easing of financing requirements by the Housing Loan Corp., have contributed to the overall growth, in addition to the positive effects of the appreciated yen and low crude oil prices which have resulted, for example, in reduced prices of building ma-

terials. Even though the appreciated value of the yen coupled with low crude oil prices have had the mixture of positive and negative influences observed above, the current aituation in the Japanese economy as o whole is most strongly affected by the negative foctors of the yeo's appreciation.

Outlook for FY1986-87 Assuming that the yeo rate and crude oil prices will show relatively moderate fluctua-tions during this period, one of the major elements in forecasting the business climate will be to determine the influence that the oppreciated yeo and low oil prices will have both in directhe potential for strengthening the economic siluation, the degree to which the oppreciated value of the yea and low crude oil prices have octually resulted in reduced wholesale In respect to the household and ennsumer prices has so far

Outlook for Balance of Payments

(In 5 billion) tActual1 Current account balance 55.0 116.5 116.0 -3.5

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been insufficient, with the net effect decreasing as goods approach the final stages of production and enler the market. However, as a consequence, it is expected that further reductions in com-

modity prices will continue. On the potential for negativo side effects, fears that the appreciated value of the yen will adversely affect employmeet ore in general unfounded. since employment in the nonmonifocturing sector is steadily expanding. There is, however, cause for concern in the anticipation of a wide-ranging employment odjustment which can take place mainly in the manufocturing sector.

Let us, then, examine the implications of the above to the economy of Japan.
Further decrease in export colume is expected to continue

up to the first half of 1987, but the rale of decrease will become less and less. Business expansion in Asian NICs ond EC nations will offset to some extent the atationary busi-oesa climate io the U.S., which is expected to have o negative impact on Japanese exports through the first half of 1967. In addition, due to the sta-bilization of the yen exchange rate, increase in export prices will not further accelerate.

Furthermore, from the latter half of 1987, exports ara ex-pected to increase of o moderate pace due to the fact that the U.S. business climate is forecast to enter a phase of moderate recovery and that the cialed yen will have come full

On the other hand, imports are expected to show steady growth as a result of the further penetration of reduced import prices. The current account surplus

will reach almost 590 billion in fiscal 1986 due to the influance of the inverted J-curve effect and low crude oil prices. Although the level will be moving downward in fiscal 1967, it will remain \$88.5 billion.

(Year-to-year % change) FY 1987 Privote domestic demond ,..... +4.7 (+3.7)(+2.9)Private final consumption +2.6 Private housing investment +3.7
Private capiloi investment +12.6 Public dentand -1.4 Net exports+19.0 -47.3 --23.3 (+0.7)1-0.51

Exports & others +2.1

each component to GNP growth.

| Imports & others —1.8 | Wholesales prices —29

Economic Outlook for FY1986-1987

Consumer prices +1.9 Notes: 1, Japon's fiscol year begins in April and ends in March. 2. Porenthesized figures indicate contribution of

Moderate recovery Now looking ot corporate

sector profits, future acceleration in the widespread penetration of reduced import prices is expected to improve corporate profits by helping to boost domestic demond, while concern for deterioration in profits exists mainly for exportreloted industries. In oddition, with inventory adjustments second half of fiscol 1986, inventory investmenta are expected to gradually recover from the beginning of fiscal

Furthermore, supported by the accelerating trend of industrial structure recovation, plant and equipment investrecover mainly in newly launched projects and research ond development, although the present phase of adjustment in investment for building up copacity will continue.

The deterioroling profitability of exports is expected to stimulate the renovation of the industrial structure from the current dependency on overtic morkets, although so-called focturing and non-manufac-turing industries is expected to continue unchanged.

In the household sector,

20uod, reliable growth in personal consumption is expecied to continue in spite of a low growth rate in employees' nominal income. This is sup-ported by forecasts that the

translation of the apprecialed yen and low crude oil prices into reduced consumer prices

-0.9

+22

will continue. High growth in housing investments is also expected lo continue. In addition to further reductions in the prices of building materials, reduced interest rates and stimulative governmental housing policy will continuously aupport housing iovestment, aven though the low growth rate of employee income will tend to

limit this expansion. The supplementory hudget which includes the issuance of construction bonds as a countermeasure to offset the deflationary effects of tha yen's appreciation will bring obout an increase of opproximately ¥t trillion in public invest-ment during the same fiscal year. As o result, a significant growth in public investment will be ochieved in fiscal 1986.

A high level of demand is expected to continue in this sector in fiscal 1987, stimulated mainly by locol financing, investment and loans that are aimed ot boosting domeslic demand. This growth, however, is expected to be moderate at

In conclusion, although Japan's economy will continue to grow at a slow rate in fiscal 1986 and 1987 with o gross economie growth rate of 2.2 per cent and 2.6 per cent, respectively, the overall business aituation will half of fiscol 1986, followed by o

Talk it over with DKB. The international bank that listens.



DAI-ICHI KANGYO BANK

The next DKB monthly report will appear Jan. 23, 1987.

The same of the sa

OECD FORECAST

Recovery of US economy 'likely to be extended'

BY GEORGE GRAHAM IN PARIS

WEAKNESSES are starting to flationary impact of lower pub

weaknesses are starting to show up in the US economy, but the main forces octing on it are likely to extend its recovery, the Organishation for Economie Co-operation and Development argues in its latest report on the US.

The decline of the dellar, the virtual halving of the oil price, the Federal Reserve Board's accommodeting monetary stance and the boom in the stock and bond markets should more than outweigh the negative effects of more restrictive government policies, the OECD concludes.

Tha factors which have strengthened the economy over thepast three years are weakening, however, and there are a strictive for the projections of the projections of unchanged exchange rates, ore also vulnoring, however, and there are a number of risks which could threaton the sbort-term outlook,

Domestic debt is reaching record levels, raising donhts about the ability of the consumer sector to maintain its spending. Household saving fell to 4.3 per cent of personal incomes in the second half of

weakening consumption growth. Corporate debt is also still high, although worrles about companies balance sheets have subsided. The OECD forecasts are based on a drop in after-tax

change rates, ore also vulnor-able to the risk of e further brouhaha in the foreign exchange markets. Sectoral weaknosses, especia-ally oil and agriculture, are

acting as a drag on US growth.
The OECD warns that the position is still critical for farmers,
although the sharp reduction in domestic price support incor-porated in the recent Form Ac 1985 and the trend continued in 1986, the OECD says.

Household financial wealth has also risen sharply, but saving is likely to revert ot soma stage to a higher level, weakening consumption growth. decline so far in the value of the dollar should lead to a cumulative increase in manufac

tured export volumes of between \$25bn and \$30bn (£17.4bn to £20.9bn), or 0.6 per cent of gross national pro-duct, by the first half of 1988. profits and relatively sluggish capital spending next year, hut there is the possibility that investment will be even weaker wrotected.

With the expected impact of devaluation on import volume growth, this should mean that the contribution of net exports the contribution of net exports around growth will amount than projected. the contribution of net exports
Federal hudget deficit reductions are expected to be benefit to 0.3 per cent of GNP through cial for growth in the long- 1987, compared with -0.9 per term, despite the short-term decent this year.

US ECONOMY						
Percentage changes	except	where otherwise	Indicate	d		
_	1985	7986	1987	1988 H		
Private consumption	3.5		3.0			
Government spending	6.8	2.2	1.9	1.8		
Gross fixed investment	6.8 7.7	0.9	2.0	4.3		
Total domestic demand	3.4 2.7 3.5	3.5 2.7 2.2	2.6	2.6 1.8 4.3 2.7 3.0 3.4		
GNP	2.7	2.7	3.0	3.0		
Consumer price deflator	3.5	22	3.1	3.4		
Unemployment rate (%)	7.2	7.0	6.7	6.5		
Current balance (\$bn)	-117.7	-138.0	-1365	-64.8		
			Source:	QECD		

Quebec rule on French public signs overturned

THE QUEBEC Court of Appeal yestorday nobeld the right to display publicly signs in English and other languages besides French.

languages besides French.

It declared unconstitutional a clause in the Quebec French language charter restricting the language of public signs to French which is spoken by a majority of the inhabitants of the Canadian province. The court also said the clause contravened Quebec's own Charter of Rights.

Ludgment had been available.

Judgment had been awaited Judgment had been awaited for months. It will fuel a dobate on the language issue in Quebec. The language charter was sponsored by a separatist Parti quebecots Government under Mr Rene Levasque. He was turned out of office a very are by the of office a year ago by the Quebec Liberals led by Mr Robert Bourassa.

After its electoral defeat last December the Parti quebecois remained relatively quiet for a long time but recently it has seized on the language issue as o means to attack the Bourassa Govern-

Last week the Justice Department charged 27 Mon-treal businesses with display-ing English-only or hillingual signs saying they must obey Bill 101 strictly until the appeal court decision was known.

Latin American foreign debt rises to \$382bn By Mary Helen Spooner in Santiago

LATIN AMERICAN economies grew by an everage of 3.4 per cent in 1986 and the region's foreign debt grew by 2 per cent to \$382bn (£287bn), according to the United antions Ecomic Commission for Latin America. Preliminary annual figures ahowed that Latin America's torms of trade have fallen by 8.7 per cent over the past year, with a 20 per cent deterioration over the past five years.

The purchasing power of Latin American exports decreased by 9.7 per cent in

Uproar over Uruguay amnesty

A CONTROVERSIAL amnesty amnesty hill since last Angust, has been granted to Uruguay'a when an earlier bill was remilitary leaders eccused of jected by the opposition Blanco human rights violations during buman rights violations during the military dictatorship of 1983

to 1985.

The law epproving the amnesty was passed in the early bours of Monday following acrimonious dobates in both the Senete and the lower house Chamber of Doputies, which at one point led to scuffles and exchanges of hlows in the dobating chamber.

Under Pressure from the

and Fronte Ampho perties.

Fears of o constitutional crisis over the Issue were confirmed by Mr Enrique Tarigo, vice-president, who announced last Friday that the military had informed him they would refuse to present themselves hefore the civilian courts thet were to begin the first hearings this week on the human rights cases.

suffered e heart attack after being attacked and insulted out-side Congress. A recent opinion poll showed 70 per cent of the population to be against the amnesty.

Street demonstrations were of thousands of detainees and organised through the country other human rights violations.

According to an aide of President of thousands of detainees and other human rights violations.

According to an aide of President Julio Sanguinetti, in the dent Julio Sanguinetti, in the original agreement worked out in 1984 with the armed forces in 1984 with the armed forces to create the present transi-tional government towards democratic rule, only the top military leaders responsible for the repression in the 1970s would be put on trial.

The aide said that the military

intelligence services had sub-sequently uncovered cases of fraud at high levels of Government and were using this information to pressure the raling Colorado Party for a

'According to the

cent of Cabrini

1980 census, 77 per

Green residents live

below the official

poverty line'

deteriorates further, the wor

set to end 'dirty war' prosecutions By Our Egenos Aires Correspondent

Argentina

Correspondent

A BILL to put an end to further trials of military and police officers charged with buman rights abuses in Argentina was expected to be passed in the country's Senate yesterday.

The bill, popularly known as the Punto Final, is being presented by the ruling Radical Party under the insistonce of President Raul Alfonsin, who wishes to see a ranld reconciliation of the armed forces with the Government and civilians.

Critica of the hill, which

ation of the armed forces with the Government and civilians. Critica of the hill, which will still have to pass through the lower house Chamber of Departies, allege that President Alfonsin has gone back on election pledges in 1983 to bring to justice all those responsible for human rights violotions during the military dictatorship of 1976 to 1983. So far o dozen top military leaders and police officials have been sentenced to long prison terms under the civilian government, for their responsibility in the 1970s which claimed the lives of ot least 9,000 people who disappeared after being kidnapped by paramilitary squads.

squade.
Human rights organisations have insisted that the trials should continue down the chain

of command Rumours have been circulate ing that top military leaders have threatened to resign en masse if the Punto Final bill

is not approved.
Opposition political leaders from Paraquay told the Financial Times that Paraguayan military leaders had been involved in supporting a proposed coup by dissident Argentinian mili-tary officers against President Alfonsin until July this year when it became apparent that the radical party was to insist on an end to the trials. President Alfonsin has not satisfied critics who claim be is acting under military pressure. by attempting to rush the bill through

Journalist beaten

Under pressure from the armed forces, the ruling Colorado Party bas bean attempting to push through the

The majority of the Blanco Party voted in fevour of the amnesty in parliament amidst accusations of cowardice from representatives of the left-wing alliance, the Frente Amplio.

amnesty.

According to a parliamentary report last year 164 people diseppeared during the military dictatorship, following arrest or kidnapping by police, military or paramilitary forces.

Sixty-one military officials are approached in diservance and diservance accused of direct responsibility for the disappearances as well as of involvement in the torture

David Owen looks at the impoverished district of Cabrini Green

Developers eye Chicago slum

THE CLOSEST most "respect-oble" Chicagoans get to Cabrini Green is when they glance out of the window of the number 151 Lasalle Street bus while commuting into the Loop, the city's thriving busi-ness and financial centre.

From this distance (about three blocks), Cabrini is just another nondescript collection of squat red brick residential high rises. To the 12,000 or so people who live there, it is arguably the worst example of a public housing project gone wrong in a formidable Chicago catalogue of errors.

In an average summer, according to Mr Steve Bogira of the Chicago Reeder, about one person is shot and injured every other day in Cahrin's Green's 71 gang-infested acres. This year, the homicide rate is running at 12, compared with 11 in 1985 and 10 in 1984.

The project's most troublefree period in recent memory lasted for nine months in 1981, when only one homicide was recorded. It followed former mayor Miss Jane Byrne's threeweek tenancy of a fourth-storey apartment there. In the first three months of the year, how-ever, there had been 11 killings in a murderous escalation of

Chicago'a yuppie-fuelled property boom north of the Loop, is increasingly the apple of local developers' eyes. Less than two miles from the Sears Tower and the rest of the down-

town skyscrapers, it is in-

creasingly an isolated pocket of an enterprising developer, poverty and doreliction in o band of affluence.

The financially-strapped C squeezed like other home According to the 1980 census, 77 per cent of Cabrini Green's residents live below the official poverty line. They scrape by on a median family income of \$4,363 per annum (\$192 less than the equivalent 1970 census figure), shared between an average 3.7 member household.

A glance out of the window on the other side of the Lassile Street bus reveals a neighbourhood known as the Gold Coast, where median 1930 family income was \$56,097, shared between an average 1.8 member

'In an average summer about one person is shot and injured every day in the 71 gang-infested

As the surrounding area is gentrified and the boutiques and health food restaurants encroach, Cahrini Green looks inter-gang hostilities.

Yet Cahrini Green, situated out of place. And its value as slap hang in the middle of prime real estate is soaring.

According to local press reports, the Chicago Housing Authority, created in 1937 to "remove slums and provide decent, safe and sanitary bousing for the poor," was recently offered \$150m for the site by

those living in the designated "evacuation" areas. The forthcoming April The financially-strapped CHA, squeezed like other bousing authorities around the country by steady cuts in federal funding, must find such an offer sorely tempting. But the political and social consequences of a sale result he described. mayoral election is further dampening speculation of an imminent sale. With the race sure to be tight and his support four years ago near total in certain CHA projects, incumbent mayor Mr Harold Washington is unlikely to risk upsetting Cabrini Green residents before the election of a sale would be daunting. dents before the election.
Certainly, the sitting mayor
would have to play an integral
part in any decision to sell CHA property.
But, as land values in the surrounding area continue to rise and the condition of the CHA's completed finances

The stiffest resistance would come from tha Cabrini Green residents themselves, despite the squalor and violence in which many of them live. "There'e a psychology in Cabrini Green that the whites are coming back to take over the city," says Mr Richard Powell, CHA Comptroller. (About 86 per cent of CHA residents are black.) "There would be hysteria," Mr Powell adds. "They would look at it as an emotional, not a logical, decision,"

In eddition, rents for CHA properties are pegged to 30 per cent of household income —an average of \$82 per month in 1980 and several times below the market rate for accommoda-tion elsewhere. With federally subsidised housing becoming ever scarcer under the present administration, the alternative for many would probably be a shelter for the homeless or a park bench.

Even assuming that new homes were found for Cabrini Green residents (the recent bid Green residents (the recent bid was reportedly sweetened with the offer of replacement hous-ing for those displaced) and that their staunch resistance to any move were overcome, the project's reputation is hardly calculated to endear itself to

is spreading that Cabrini Green's days could be numbered in spite of the inertia which has kept it in its present sorry state for so long. Mr Powell draws an analogy

Alfredo Tarre Murzi, a journalist, who is one of the fiercest critics of the Venezuelan Government, claimed yesterday with a private company simul-taneously hit by falling incomes and spiralling costs. When that, that two men who beat him up happens, he says, sooner or last Friday were guards at later you have to consider self- Venezuela's presidential office complex in Caracas.

WORLD TRADE NEWS

Turkev cuts duty on some imports

By David Barchard in Ankara

THE TURKISH government has reduced customs duty on 163 imports but imposed special sur-charges on 108 new items. The lower duty will be applied to beer, textiles, chemi-

cals, petrochemicals, foodstuffs, pharmaceuticals, and computer tical effect for Turkish con-sumers may be slight because all these imports are subject to surcharges for tha Mass Housing Fund set up by Mr Tugilt Ozal, the Prime Minister, in 1983, and other extra-budgetary funds.
The reduction in customs duties appears to be on attempt to answer criticisms that Turkey

is not honouring its commitments under the Treaty of Ankara to reduce its tariff barriers for EEC imports. This reduction is unlikely to satisfy the European Commissains as there is still no indica-tion of EEC goods being given preferential treatment — and hecause the Community does ment'a view that the surcharge on imports does not count as a customs duty. The Community is believed to have been quietly

pressing Turkey on this point for many months, Turkey's widening trade deficit, \$2.872bn (£2bn) in the first nine months of the year or 33 per cent up on the same period of 1985, leeves Mr Ozal little option but to apply the brakes, according to Turkish officials.

The new items to be sur-charged include somo, such as iron and steel products, on which customs duties have been which customs duties have been lowered. The surcharge on imported moat has been raised from \$150 to \$400 per ton and there are similar sharp increases for most agricultural and foodstuffs imports, indicoting the Government's feeling since the by-elections in September that it has to neep more ber that it has to pay more ottontion to the wishes of rural

China textile exports China's textile exports this year will reach a record \$5.3bn, up from \$4.25bn last yoar, making textiles the top foreign exchange earner for the first time, Routor reports from Peking quoting the People's

EEC to protest US tool curbs

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

THE EEC is planning a strong protest against the Reagan Ad-ministration's decision last week to try and impose curbs on ma-chine tool imports and to threaten retaliatory action against the

The US imposed restraints on imports from West Germany and Switzerland and ordered other machine tool exporting nations, including the UK, Spain and Italy, not to take advantage of im-port curbs from other countries to increase their market share. It

gesting, a national security is

Tokyo stops insurance

for exports to Cuba

taking made at the Punte del had earlier Imposed curbs on machine tools from Japan and Taiwan. But yesterday the EEC, to un-derline that it is a trade matter and not, as the US has been sug-

was preparing to tell the US that its actions were an infringement of Gatt (the General Agreement on Tariffs and Trade). The EEC also maintains that the US move breaches an under-

Este meeting - which approved a new Gatt trade round - not to impose new trade restrictions and will tend to inhibit exporters from selling in the US market even without the formal implementation of quota arrange-

Imposing the five-year curb on machine tool imports, Washing-ton said that it would give domestic machine tool makers n chance to earn an additional \$800m during that period
In a step which underscores
the growing tendency for even
the free market-oriented Reagan
Administration to adopt interventionist measures in the face of the American trade crisis, it was announced that the Defence Department would spend as nuch as \$15m during the next three years to support the ma-chine tool industry's National

Sciences research facility. Concern over Porsche's reliance on US

earnings substantially will also remained its production of come up soon against production bighly-profitable Mercedes come up soon against produc-tion constraints, the report warns. However, it also ques-

THE MINISTRY of International Trade and industry (Miti) in Japan has discontinued the practice of

has discontinued the practice of granting export insurance for Japanese companies which export to Cuba, spokesmen confirmed yesterday, AP-DJ reports from Tokyo.

The ministry, which routinely insures exports by Japanese firms on a case-by-case basis, stopped taking new applications effective December 22. Affected Japanese firms are said to have paid Miti a total of Y200m (\$1.2m) per month for the

Y200m (\$1.2m) per month for the coverage. The move suspends the application process. Existing insurance policies for Japanese companies will not be renewed when they

The action follows foreign ex-

run out.

As a consequence, forecasts

tries in recent years.

"There ehould be no problom

PORSCHE, the West German luxury sports car maker, bas left itself "uncomfortaly exposed" to fluctuations of the dollar against the D-Mark because of its heavy depondence on the US market, according to an analysis by stockbrokers Phillips and Drew.

Tho report on West German tions whether Porscha even wants to take this route.

"Porsche is dominated by the desire of the contralling families, in particular the founding to the dollar, through higher cannot be exclusive image of the per cent since October 1985 once investor uncertainty about to an average of \$43,000), and over growth or earnings increase of \$43,000), and over growth or earnings increase or production of the weaker dollar. But it forecasts a "substantial increase" in the mid-range 200300 series,

on the US market, according to an analysis by stockbrokers marque. This takes precedence over growth or earnings inmany's luxury car manufacturers points out that 54 per cent of Porsche's sales were in the US. As a result, the sharp decline of the dollar will leave the company's earnings, to be declored in February, "below market expectations."

The report on West Germany's luxury car manufacturers points out that 54 per cent of Porsche's sales were in the strongest automotive and a smaller increase in the largest Sclass cars, and a smaller increase in the largest Sclass cars.

This would be facilitated by the addition of lts planned the new 7-Series cars launched in October and the new 5-Series destined for launch late next third car plant from 1990.

But its bold diversification while would increase nominol capacity by 11 per cent to well of the fact their its core business of the addition of lts planned the new 7-Series cars launched in October and the new 7-Series cars launched in October and the new 5-Series destined for launch late next of the lat new Regenshurg plant, "the production gains will occur ex-

Israel agrees to buy crude oil from Egypt

finding a market for this additional production, given that oven in its best export market.

Distribute the higher margin clusively in the higher margin models, and the net benefit will be substantial."

change shortages and economic difficulties surrounding falling prices for sugar and other major export products for the Caribbean nation.

The suspension of governments possessed insurance mostly involves exports of Japanese cars and machinery orders to Cuba. In 1985, exports from Japan totalled \$300m. During the first 10 months of 1986, and prices would be set in advance for the shipments, but that they would be allowed to fluctuate in response.

BY JUDITH MALTZ IN JERUSALEM

ISRAEL will purchase 2m tonnes of crude oil needs each year.

Israel purchases similar quantities on the spot market and from Mexico. But Energy Ministry officials point out that Egypt has a comparative advantage as a supplification of the spot market and from the shipments, but that they would be allowed to fluctuate in response. to world oil price movements.

Last year, Israel paid an average of \$12 a barrel for Egyptian crude.

cent from the year-earlier period.

By comparison, Japanese newspaper reports indicated that Cuba had been keeping up to date on its Since the two countries made peace in 1979 Egypt has traditionally supplied Israel with three types of light and medium crude: Belayin, Ras Garib and the Suez blend. It Miti has stopped insurance coverage for as many as 20 foreign counhas also accounted for about 2m supplier," they note.

are only 30 cents per tonne as compared with \$11 per tonne from Mex-

They also refer to Israel oil pur-chases from Egypt as one of the "bright spots" in Israel's relations with its Arab neighbours. "Wo have found Egypt to be a very reliable

Peugeot Citroën tops Egypt asks league as world's largest diesel maker

BY NICK GARNETT IN LONDON

group in France took over from Fiat last year as the world's largest producer of diesel engines by volume.

Its output of 560,000 engines

in 1985 lifted it from its third place slot in 1984 pulling it obove Fiat which, despite increasing its volume, fell to third place, according to the latest world engine study by Planning Research and Systems (PRS), the London based engine consultants.
Volkswegen which moved from fourth to second in the world league table showed tha

world league table showed tha largest rise in output. Its 1985 production of 557,000 engines rose from 406,000 the previous year. This partly reflects a distortion in the figures for 1984 because of the West Germent metalworkers strike but VW is also selling engines to Volvo. The position of these companies reflects the continuing growth in demand in diesels for passenger cars.

assenger cars. Outside the sphere of passenger car engines, the highest ranked company in terms of volume last year was Perkins, tha engine-making subsiduary of the Varity Corporation (Massey-Ferguson).

There was no change in the

THE PSA (Peugeot Citroen) output ranking of the leading group in France took over from seven producers of petrol engines, according to the study, but Volkswagen entered the top 15 for the first time, coming in at eleventh in the table.

Total output of diesel, petrol and Brazilian-made engines operating on alcohol rose just over 4 per cent last year from 81.3m in 1984 to \$4.7m.

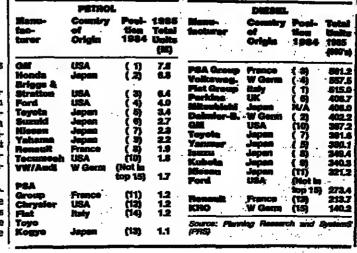
Total world production of diesels in all borsepower bands was 11.4m, a rise of amost 7 was 11.4m, a rise of amost 7 per cent over 1984. This figure represents a slowing of the growth of world diesel engine output which grew by more than 13 per cent in 1984.

than 13 per cent in 1984.

The largest growth in output of diesels was in Western Europe, in particular West Germany and France, reflecting the strength of their dieselpowered passenger car sector. France is the world's fastest growing market for this application. Output in North America

remained statle. Production of diesels in Jepan, the world'a largest producer accounting for 24 per cent of world output grew by less than 4 per cent. A number of main markets by application showed signs of some recovery through 1985.

ENGINE PRODUCTION BY MAJOR MANUFACTURERS IN 1985



for N-plant bids to be extended

By Tony Walker in Calro

EGYPT HAS again asked tenderers for a nuclear power station, valued at more than \$1bu, to extend the validity of their bids.

Its nuclear power plants authority has asked Kraftwerk Union of West Germany and Westinghouse of the US for a six months extension beyond the end of this year.

KWU had emerged as the winner in a protracted hidding phase against Westinghouse and phase against Westinghouse and Franctome of France at the head of an Italo-French consortium. A letter of intent had been expected to be issued to the West German company before the end of the year, opening the way for detailed negativities.

negotiations.
Egypt's serious financial difficulties have almost certainly caused the latest delay. It seems unlikely that it will be ehle to embark on such an ambitious project for the foreseeable

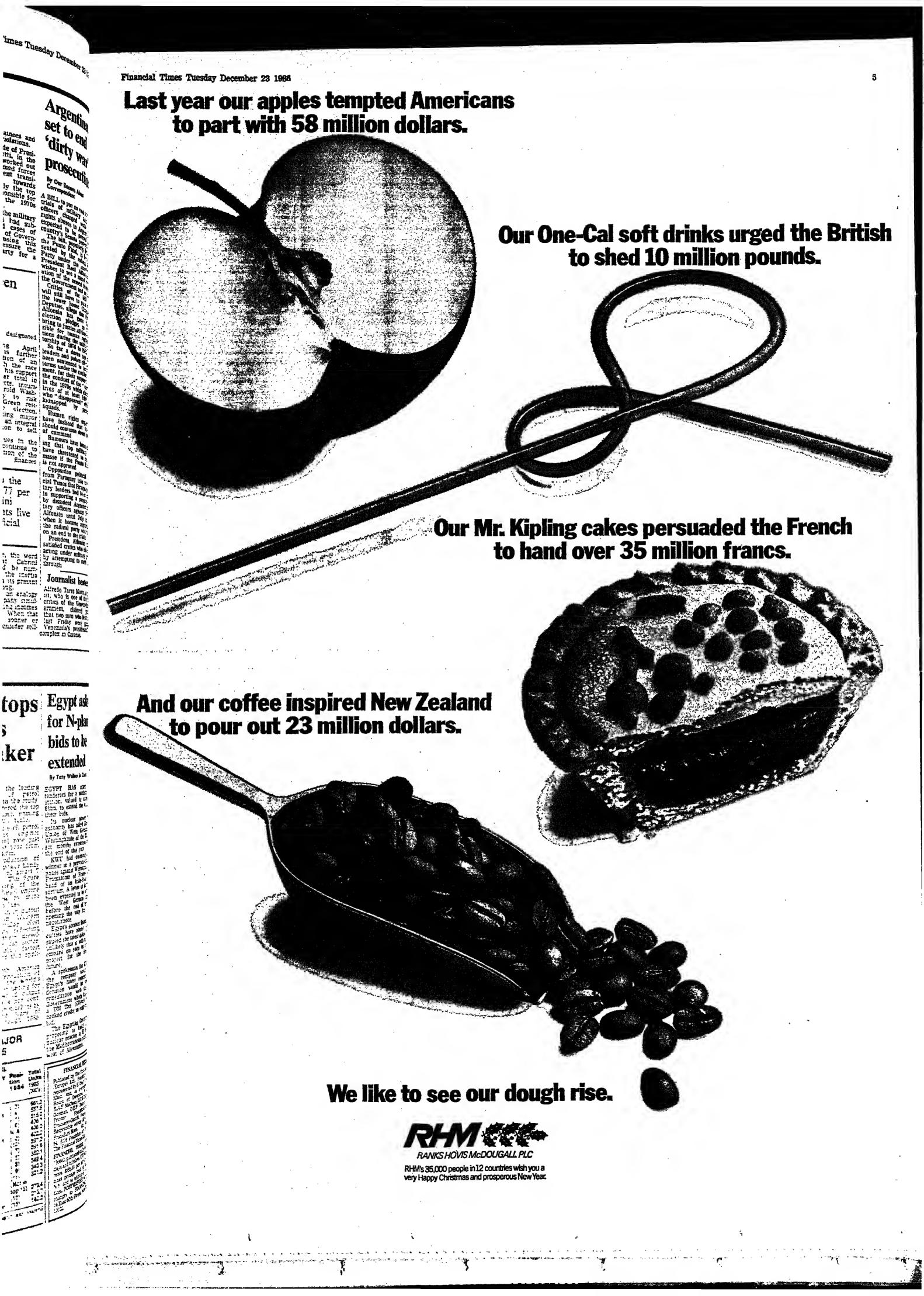
inture.

A spokesman for KWU said the company would study Egypt's latest request and a decision would be taken in consultation with the Bonn Government which has offered a DM 2bn (£714m) Hermesbacked credit in support of the bid:

The Egyptian Government is proposing to hulld its first nuclear reactor at El Dahas on the Mediterranean coast, 160 km west of Alexandria.

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Fleur de Lys Automobiles

...... See MEERAN ET.

How a baker turned to vintage deliveries

Christopher Lorenz reports on a novel engineering venture

be able to enjoy an imusual new attraction: riding aboard two red 1920s-style luxury

The 10-seater "courtesy coaches," which leave South-ampton docks today, are the latest export from a small British family company with the exotic name of Fleur de Lys Antomobile Manufacturing.

Based in a former car show-room in the centre of Newark, Nottinghamshire — the next market town north from Mrs Thatcher's birthplace, Grantham
- Fleur de Lys has been trading for little over two years. Yet its annual turnover has already topped fl.25m, more than 40 per cent for export, and it is on course for well over £2.5m in two years' time, when exports could be taking as much as 70 per cent.

much as 70 per cent.

The prime business of Fleur de Lys is the manufacture of what Len Terry, one of its directors, calls 'mobile advertising hoardings'': £16,000 reproduction vintage delivery vans, emblazoned with their owners' livery and signwriting for all the world (especially potential customers) to see. The Hong Kong coaches, bound for the Macan Tourist Board, are simple conversions of the company's force to over 400, and Liveras conversions of the company's force to over 400, and Liv standard product, a 15 cwt van has become a millionaire.

Since it first went on sale in September 1984 the of frozen puff pastry and, at "Newark" has been bought, the age of just 51, out of singly or in pairs, by e long list Britain into semi-retirement in of High Street names in Britain, Greece, where be now runs e ranging from Safeway and Asda supermarkets to Bass beer and Wall's ice cream, as well as a bost of specialist wine merchants, florists and chocolate makers — and even a City of

Outside the UK, "Newarks" have alreedy been sold in 11 direction of specialist motor countries, in addition to Hong Kong. As well as the more obvious European markets (France, West Germany, Italy), they can now be found on the roads of Portugal, Greece, Canada and the US. In all, 125 vans have been sold in the UK and abroad, and, with a labour

WHEN Hong Kong celebrates force of 60, production is now the Chinese New Year in a running at about seven vehicles a van into a bid for the whole month's time, its residents will a month, with a three-month company. When he found the order book.

If the business continues tn thrive — and the nostalgla advertising market shows every sign of growing around the world — the company's main problem wil be containing its expansion within manageable

Fleur de Lys took its name, its international character, and its strong financial backing, from the company which gave it birth, Fleur de Lys Patis-series. Founded in North London by a Greek Cypriot, Andreas Liveras, the petisseries manufacturing business moved 130 miles north to Newark e decade ago in order to find the space to expand. It then started to grow with e vengeance.

Automated

some £200,000 at the time, it has expanded 40-fold to the current year's £8m by specialising in own-label frozen fresh ers. In the process the com-pany has built up its labour force to over 400, and Liveras

He has also moved into the fully automated manufacture Incrative yacht chartering business in Piraeus.

It was less than four years ago that Liveras and his prime lieutenants, son Dino and son-in-law Kyri Kyriacou, first conceived the idea of branching out into the apparently unlikely manufacturer, They had ep-proached a small maker of imitation vintage vans in the south of England to buy e promotional vehicle for the patis-series business, only to discover

a van into a bid for the whole company. When he found the asking price too high be did the next best thing and decided to set np in competition—and lure set np in competition—and lure away the company's all-important designer, Len Terry, who had a 20-year track record as the designer of e long line of successful Formula 1 and 2 racing cars, including Lotus, BRM and BMW.

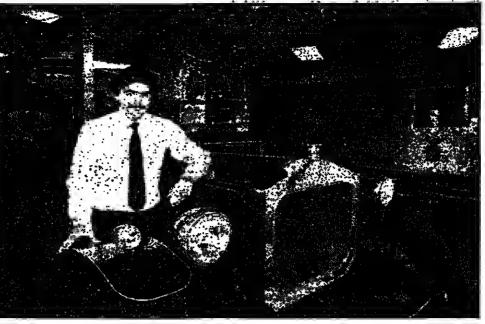
On the basis of Terry's exper-tise, the family decided to take a more ambitious approach to the business than those companies already in it. Instead of buying ready-made modern vans (aither Ford Transits or Ley-land Sherpas) and putting new glass fibre shells on them, they went for fully-integrated manu-

Engines, transmissions, suspensions, electrics and so forth pensions, electrics and so forth are all bought from Ford—the van carries a Ford warranty and is serviced by Ford dealers worldwide—but the chassis is made by Fleur de Lys, the wheels are specially supplied, and all assembly work is done in Newark.

Another departure was the decision to use beavy sheet steel bodywork instead of glass fibre: Kyri Kyriacou, who was made age of 25, justifies this on ment skills entirely on the job, several grounds, including Liveras went for the big time.

The commence of repair. "We're used to ment the managemanaging director et the tender

The company's bottom-up design of its own van has also eased it through the complicated and expensive process of getting government type approval for sale of the van throughout the European Com-munity, an exercise which cost munity, an exercise which cost not far short of £100,000 and occupied the first 15 months of occupied the first 15 months of are grand indeed. Against sales of ebout 75 vans in the current is going for et least The even more costly American approval procedures—on e van which uses many Ford of America components — have would nearly triple the com-taken much of the past year, pany's turnover in barely 12 and are now virtually complete, To the obvious criticism that young and small company, Kyriecon points to the strength



invested in the business so far, France and Germany already Leviras family style, Kyriacou with no real return expected until 1988-89 (its financial year runs to February), and the only form of outside financing is a faction of promotion through nostalgia (plnš e tinge form of outside financing is a faction of English snob appeal), he is financing used.

Kyriacou stresses that this has not been fully used.

Though only 25 vans are

decided to turn his patisseries business into a mass manufacturer, producing ahead of demand, he faced similar criticism from cautious small competitors. But, with the help of his son (who now runs Patisseries) and Kyriacou, both of whom learned their management stills authorize the competition could stop the competition could state the competition of the

ing on a large scale, and financing it," says Kyriacou He also points out that staff motivation and teamwork benefits from "having e factory full of guys working, rather than being forced to react to peaks and

year, he is going for et least 100 in 1987-88. "If we succeed in the US, it'll be double that." he predicts — though this would nearly triple the com-

months. Eveo with 100 vans on this high degree of vertical Britain's roads, roughly as many integration is risky for such a as its two main coachbuilder. competitors, Kyriacou considers there was a waiting list of over tyricon points to the strength that "we really beven't tapped two years.

Liveras' characteristic reacteristic reac

not been fully used.

The soft-spoken but fast-talking young tycoon also underlines the family's long-term ambitions for the company.

When his father-in-law first decided to turn his patisseries or to invest in the overheads of business that this has justified.

Though only 25 vans are operating ebroad so far, Kyriating the continue relying to be continued to the classic small company dilemma of whether to continue relying on agents of the continued of the con exception could soon be made in the most attractive market of all, the United States.

Debugged

Apart from eight vans sold direct from Newark, Kyriacou has consciously held back from the US market until be could demonstrate beyond all doubt that the product is totally debugged and thoroughly debugged and thoroughly proven. He is currently negotiating with an agent in Palm Beach, Florida, of whom be has high hopes. If the talks fall through, be will probably go direct, choosing to focus on California instead of Florida.

In what one suspects is true as I went along."

refuses even to consider making a five-year plan for the business. The bank, of course, demands a three-year budget, but anything more would clearly not be worth the paper it was written on. Though the company has a thoroughly professional computerised accounting system, and keeps very tight control of its purchasing and workflow, it gives the impression of very much

thinking and acting on its collective feet. Thus, although Kyriacon stresses the obvious production cost advantages of sticking with one basic product—plus a small range of variants—he seems prepared to accept special custom-made jobs if the contracts are large enough.

More dramatically, he is considering making a major new departure into a high-volume, modern specialist vehicle which would transform Fleur de Lys into a medium-sized company almost overnight, taking it into competition with much larger motor manufacturers. If the still-secret project gets to the stage of full production, it will require outside finance.

Even in the absence of this big but risky leap forward, Kyriacon is clear that he will soon need to enlarge his sixperson management team in order to ease the heavy burden He is well aware of the costs of running his own US show room and sales staff. "But if there's a market, you've got to tap it," he declares. "If you did when he was down on the don't, you're likely to lose it bakery floor, or out on the altogether to someone else." road "learning to be a manager

In brief...

AN EXPANDED training programme forms the basis for the London Enterprise Agency's (LEntA) ambitious objective of tripling the number of people attending its training courses next year to 2.000.

Petential and owner managers are the target for the series which, says Peter Thackway, LEntA's training manager, eater for a perceived

Among the series are: The Business Programme, which is an advanced course to develop a business plan and practical business skills over a series of four weakend workshops; the Private Enterprise Programme, a practical and flexible training to supplement awage. practical and flexible training to supplement owner-mangers' skills; Business Awareness Workshops, one day courses for entrepreneurs starting on the Enterprise Allowance Scheme; Introducing One Day Training Courses, which ask the question "Is self-employment right for you;" and Design Enterprise Pregramme, a 14-week course for design graduates offering a grounding in business management, together with access to a package of grants and loans. and loans. Further information fr Geraldine Davies on 01-236

A USEFUL BOOKLET, new in its fourth edition, has just in its fourth edition, has just emerged. From accounts, its Binder Hamlyn, which outlines 250 assistance and incentive acheines to the UK. Government and the European Community. It is six months since the third bothlet was published and in fact time, says Rinder Hamlyn, nine schemes have been withdrawn and a further 32 schemes have been added or substantially amended.

Among the additions or amendments of particular relevance to the smaller business is "Business and technical advisory service: support for marketing." This support for marketing." This provides functal assistance for independent firms with up to 500 employees towards the cost of employing a specialist marketing consultant to help in developing marketing strategies and moverall marketing plan.

Among British Coal special funds is "British Coal Ester-prise Ltd: lean finance." This provides funding towards creating new or alternative jeb opportunities in traditional coal mining areas and

designed to assist business start-ups; allow existing local companies to expand in situ: assist companies wanting to locate in mining areas; and assist companies to locate in the UK rather than overseas. The booklet is available from Binder Hamlyn at 8 St Bride Street, London EC4A 4DA, tel 61-583 0031, price £5.

SIMPLE CASH Books for the Small Business is the title of a book from Kogan Page aimed at providing simple advice to those people setting up in business, in particular, who have no background knowledge or previous training in book-keeping or cash control. The book seeks to show how to prepare and analyse a company's cash transactions using either a pre-printed or columnar cash book, which will satisfy the Inland. Revenue. Available from Kogan Page, 120 Pentonville Road, London NI 9JN, price £3.95. price £3.95.

A SALUTARY reminder to the small businessman of the need to give due considera-tion to health and safety issues is contained in the latest issue of National West-minster Bank's Small Business Digest. It points out that while leaver communics may while larger companies may he able to ride out the aftermath of an accident or an accupational illness among their workforces the cost to a small business of one serious accident can be very damagnetic than the cost to a serious accident can be very damagnetic than the cost of the cost of

actident can be very damaging not early to the person
affected but to the business's
chance of survival.

"The only way for a small
business to ensure that accidents and ill health are
avoided is to identify the
histories it faces and the precautions needed to deal with
these, and then to make sure
the precautions are followed the presentions are followed the presentions are followed to comply with health and safety law and regulations is available from local Health and Safety Executive area offices, which are listed in telephone books.

THE LONDON Enterprise Agency has introduced a series of seminars aimed at offering established and budoffering established and out-ding entrepreneurs practical and flexible training in a variety of disciplines. These include selling, sales promo-tion, book-keeping, marketing, thate accounting and ways in which to find new products.

which is find new products.

The sentinary begin on laboury 7 and continue to hisrch II. The venue is the Royal Collège of Art, Kensington Gore, London, SW7. Further details from the London Enterprise Agency, 4 Snow Hill, London ECIA ZDL.

NOTICE OF REDEMPTION To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.L

(National Hydrocarbons Authority)

7% Bonds 1988, due January 15, 1988 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by int for redemption on January 15, 1987 at the principal amount thereof \$6,772,000 principal amount of said Bonds, as follows:

ding Bonds of U.S. \$1,000 Each of Profix "M" Besuing Scriel No Ending in the Following Two Digits:

10 16 22 32 43 45 12 21 26 40 44 60 Also Bonds of U.S. \$1,000 Each of Prefix "M"

Bearing the Following Serial Numbers: 1416 4516 7315 10316 11016 12816 15116 17916 19215 21815 23416 24016 25916 27416 30716 31716 2916 6516 8816 10916 11416 14416 16816 18016 20516 22915 23816 24716 27016 30015 31316

Oo January 15, 1987, there will become and be due and payable noon each Bond the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Brendway. New York, NY. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Kredictbank S.A. Luxembourgeoise in Luxembourge-Ville.

in Luxembourg-Ville.

Bonds surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due January 15, 1987 should be detached and collected in the usual manner.

From and after January 15, 1987 interest shall cease to accrue on the Bonds herein designated

ENTE NAZIONALE IDROCARBURI By: MORCAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

December 16, 1986

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide us with, and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Royal Air Force Benevolent Fund repays the debt we owe



The Royal Air Furce reached a peak strength of 1,200,000 in 1944 and more than 1½ million men and women served during the war years.

Thousands did not come back. Many lie in the forgot-

older and increasingly vulnerable to infirmity and economic hardship. To carry on its work, the Royal Air Force Benevolent Fund must raise over £7,000,000 annually.

ten corners of earth and sea. Many thousands more were left disabled — mentally and physically. Each year demands on the Fund are increasing as the survivors of World War II and their dependants grow

We need your help. Every donation we rec we have more to give. Please remember the Fund in your Will; advice on legacies, bequests and covenants is gladly given. If you know of anyone who might quality for help from the Fund please let us know.

Royal Air Force Benevolent Fund 67 Portland Place, London W1N 4AR Tel: 01-580 8343
Registered under the War Charities Act 1940 and the Charities Act 1960 Registration No. 207327

NOTICE TO HOLDERS

Company Notices

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We are pleased to announce that

Christopher Kemball

has joined our firm as Executive Managing Director

Dillon, Read Limited

By Tom Lynch

MR DAVID PENHALIGON, the Liberal MP for Truro in Coruwall, south-west England, was killed in e road accident in his constituency yesterday. He was 42.

Mr Penhaligon had been on his way to St Austell for an early morn-ing visit to Post Office workers n his car was in collision with a van on black ice. A doctor certified him dead at the scene of the acci-

The van was also in collision with a bus before bursting into flames. Its driver was seriously injured, but nobody on the bus was hurt.

Mr Penhaligon's death shocked his fellow Liberals and politicians from other parties. He had a reputation for plain speaking leavened with wit and delivered in a rolling Cornish accent.

er, said Mr Penhaligon's death was
"e shattering blow" to his family,
his constituency and his party. He
praised his personal warmth, his communications skills, his dedica-tion to the party and his role in its

Mr Penhaligon won Truro at the second attempt in October 1974. taking it out of Conservative hands



David Penhaligon: direct and witty

for the first time in nearly 25 years. His majority then was only 464, but his dogged defence of constituency interests helped to push that up to over 10,000 at the last general elec-

He had been parliamentary spo kesman for his party on most of the major domestic policy areas since 1977 and was latterly its spokesman on economic affairs. He was president of the party last year.

Mr Penhaligon was a strong supporter of the alliance with the Social Democratic Party in its early days and pressed for closer links between the parties with the eventual aim of merger.

The loss of such a vigorous and effective campaigner will be felt keenly by the Liberal Party as it prepares for the next general elec-tion, and Mr Penhaligon's death will be a particularly severe blow to

After supporting Mr John Pardoe in the 1976 leadership election, Mr Penhaligon became one of the senior figures strongly supporting Mr Steel behind the scenes. Mr Steel paid tribute yesterday to the value be placed on his colleague's "trenchant" advice.

Mrs Margaret Thatcher, the Prime Minister, was reported to be deeply shocked at the news and was writing a letter of sympathy to Mr Penhaligon's wife and two child-ren. Mr Neil Kinnock, the Labour leader, paid tribute to "a really decent, sweet man with a wonderful sense of humour and of indepen-

Dr David Owen, the SDP leader. described Mr Penhaligon as "co-lourful, charismatic and coura-geous" and said his death would eave "a terrible, terrible gap in our political life."

Mr Penhaligon was one of Mr Steel's firmest supporters among the party's senior figures. In argu-ing his economic portfolio, be was seen as a solid force for common sense behind the scenes, but in public he often seemed uncomfortable with the intricacies and detail of the

He was much sought after by broadcasters for the direct and wit-ty style which made him such a successful speaker, but the Cornish banter so loved by his audiences sometimes dulled the impact of his

LHW Futures rejected by regulatory body

LHW Futures, the controversial fu-tures broker which employs high-vestments to the British public. tures broker which employs high-pressure selling techniques to sell futures contracts to private invesmember of the Association of Futures Brokers and Dealers, the newly created self-regulatory body for the British futures industry.

The decision, which is being appealed against by LHW, could effec-tively put it out of business unless it can persuade the Securities and Investments Board to give it direct LHW, which claims to have the

largest list of private clients among Europe's futures brokers, is the first firm to be rejected by the AFRD, which was set up in August. The decision will not affect LHW immediately. However, it could prove devastating when the new Fi-

eration. The act will make member-

Moreover, membership of the AFBD will also then be essential for LHW to continue to trade on British futures exchanges. In February, LHW lost its appeal to join the Lon-don International Financial Fu-

Mr Alistair Annand, the AFBD's chief executive, gave no reason for the decision to bar LHW, which was reached by the AFBD's membership committee and endorsed by its council Futures exchanges which LHW is a member were informed of the decision et tha weekend. Mr Annand also declined to comment on suggestions that LHW had tried to stop the AFBD making its decision public.

LHW has received considerable nancial Services Act comes into op- adverse publicity as a result of its selling methods and the high comship of e self-regulatory nrganisa- missions it charges. Although the

calling at least two years ago, it makes considerable use of commercially available mailing lists of pot-ential clients. It also advertises ex-

clear the volatile nature of futures investments in its literature, according to Mr Brian Edgeley, its LHW, which is privately owned and employs about 150 people, has been extremely successful since be-

ing set up some five years ago. The

firm has more than 6,500 clients and earned about £30m in gross nissions in 1985. Mr Edgeley was reluctant to con-sider LHW's options should its appeal fail, saying "we would prefer to look to the appeal as its stands." LHW claims the information on

which the AFBD reached its deci-

GEC gives notice of possible 1,750 Nimrod redundancies

Government and to its trade unions that it may have to make as many as 1,750 employees redundant in its avionics and computers divisions Nimrod airborne early warning grounds. (AEW) project.

But the company said yesterday it would do its best to place workers, particularly skilled technicians elsewhere in the group. GEC said it hoped the final Nimrod redundancy total would be considerably fewer than 1.750.

The GEC Avionics factories affected are at Boreham Wood, Radsouthern England, while the two GEC Computers factories affected are at Boreham Wood and at Dunstable, also in the south.

terly criticised the government decision last week to buy the US Boeing Awacs AEW system in preference to the British-made GEC Nimfollowing the cancellation of its rod radar, mainly on employment

But the Government has argued that offset arrangements which require Boeing to place more than £1bn worth of contracts with British companies over the next eight years may create as many, or more, jobs than will be lost at GEC. Plessey, which expects to be a major beneficiary from Awacs offset work, has already launched a reclett and Hemel Hempstead, all in ruitment drive among the GEC workforce.

Meanwhile, Lockheed-Georgia said yesterday it was going "back to square one" in its search for an

The engineering unions have bit- AEW radar to put in its C-130 Hercules aircraft. The company had hoped to install the GEC radar in the Hercules and to market the combined system worldwide, but only if the UK Government showed enough confidence in the GEC rad-

ar to buy it.

Lockheed-Georgia is believed to
have spent some 50m since 1982 on technical feasibility studies and market identification for the Hercules AEW. It said yesterday it was now reviewing alternative AEW radars available in the US. But the main maker of such radars, Westinghouse, is already committed to Boeing for the Awacs system which Britain is buying to Grumman for the Hawkeye and possible to Lock heed-California for an AEW variant of its P-3 Orion aircraft.

ndustry to the Scottish economy

was emphasised yesterday by the

release of figures showing that data

processing equipment and office machinery was Scotland's leading category of exports in 1985. It out-

performed the food, drink and to-

bacco category, dominated by whis-

ky, for the second year running,

The survey, carried out by the Scottish Council Development and Industry, shows that Scotland ex-

ported £1,426.9m worth of data pro-

cessing equipment and office ma-chinery in 1985 against a figure of £1,297.5m in 1984. Food, drink and

tobacco amounted to £1,227,2m

against £1,113.8m in 1984. Accord-

ing to the Scotch Whisky Associa-tion, whisky exports were worth

Mechanical engineering exports -at £531.2m in 1985 - were beaten for

the first time by those of electrical

and electronic engineering prod-ucts, at £540.4m. In 1984 mechanical

engineering exports were £473.2m and electrical and electronic engi-

The total value of Scotland's man-

ufactured exports in 1985 was £5,728.2m, a rise in real terms of 4.2

per cent compared with 1984. The figures are estimates based on re-

sponses to a survey of 1,600 Scottish

□ ISLE OF MAN is to prepare

legislation which will have the ef-fect of making insider dealing in

the island a criminal offence. This

is a response, according to a state-ment from the island's Financial Supervision Committee, to reports

in the press and the broadcast me-

increase is likely to be just over 20 per cent compared with last year.

I SIR ISAAC WOLFSON, the man

responsible for making Great Universal Stores (GUS) one of Britain's

biggest companies, is stepping down as co-chairman of the compa-

ny. Sir Isaac, 89, will become honorary life president of GUS, and Lord Wolfson, Sir Isaac's son, will be-come the new chairman.

□ CONTRACTS for the new £10m

train ferry berth to be built for the Port of Dover have been awarded to

for civil engineering, at £2.8m.

more than earlier estimates.

☐ OCCIDENTAL PETROLEUM BID-

nounced that reserves from its Claymore and Piper fields in the

☐ GOVERNMENT introduced mea-

sures that will allow personal equi-ty plans to be sold via the mdia, as

part of its policy of encouraging

neering exports were £409.7m.

£1bn in 1985.

exporters.

Goldman Sachs will High tech move to Fleet Street to fore in **Scotland**

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

to buy the Daily Telegraph site and tailed plans have not been drawn adjacent properties on Fleet Street. Mr Brian Maier, who handles the Goldman Sachs property interests, said yesterday that the price remained confidential. But the seller, Rothesay Developments, has planing on the site which would have en worth about £100m. Mr Maier said Goldman Sachs would not be

ville Mitchell. It had leased to the site, near Tower of London. Daily Telegraph 77,000 square feet to London's Docklands next year.

GOLDMAN SACHS, the US invest with dealing floors of up to 30,000 ment bank, has ended its search for square feet and possibly a total of permanent London home and is 300,000 square feet of space. But de-

> From 1989, Goldman Sachs intends to make the new building the headquarters of its international operations, bringing together per-sonnel from three different build-

Previously it had made unsuc cessful hids for the site of the City spending that amount.

Rothesay Developments is a private company controlled by Mr Gre
Thames, and for the old Royal Mint

The disclosure of Goldman Sach's of space. The Telegraph is moving plans follows quickly on the heels that News International, controlled Conclusion of the deal with by Mr Rupert Murdoch, had won Rothesay will permit Goldman planning permission for the rede-Sachs, subject to a new planning velopment of the News of the World permission, to build for its own oc-cupation a medium-sized building the financial services sector.

Safeway Foodstores profits rise by 40%

BY CHRISTOPHER PARKES, CONSUMER INDUSTRIES EDITOR

stores, the UK arm of the private scheduled for February 1987. £43.76m from £31.2m.

The company, which is expected to be sold shortly to help relieve its parent's debt problems, said its 4.2 per cent net margin m sales for the year was the best since it started trading in Britain 24 years ago.

The sales increases were helped by the opening of 12 new stores during the year, which brought the company's total to 131 and helped keep it on target to have 150 super-

markets operating in 1988. The first new store of the current financial year was opened in Kent the Argyll group.

PRE-TAX profits at Safeway Food- earlier this month, and the next is

US supermarket group, rose more Announcing the results, Mr Terry than 40 per cent last year to Spratt, chairman and managing director, said he had deliberately not Sales were up 23.2 per cent at just dwelt an the possible effects of the over \$1bn for the 53 weeks ending parent company's recent manageparent company's recent manage-ment buy-out - which led to the announcement that it was "willing to consider" the sale of its UK inter-

> The UK business had not been affected. "The figures are all the more remarkable in view of the unwarranted press speculation and inaccurate reporting which also could have undermined the great support of our suppliers and the confidence of ... customers," Mr Spratt added.

ested in buying Safeway include



Michael Donne reports on Belfast's link with de Havilland Shorts looks to Canada for airliner

based serospace manufacturer, is now discussing with de Havilland Aircraft of Canada the possibility of jointly developing a new light com-muter-type transport aircraft for service in the early 1989s.

This follows an agreement to col-laborate that the two companies signed at last September's Farnborough air show. The move is regarded as an indication of Shorts' stay in the fixed-wing airliner manufacturing business in which it has been considerably successful with its existing Skyvan and Types 330 and 360 twin-engined airliners.

The company lost £35m in the year to March 31, reversing its earperformance. Sir Philip Foreman, chairman and chief executive, described 1985-86 as dreadful.

That was largely attributed to losses on the fixed-wing side of the company's activities, since the company remained profitable in mili-tary aircraft (the Tucano basic trainer for the RAF), "aerostractures" (parts for Boeing and Fokker airliners and engine pods for Rolls-Royce RB-211s and other aero-engines), and missile development

Shorts has just been awarded a £225m contract from the Ministry of Defence for development and production of its new Starstreak supersonic air-defence missile for troops on the battlefield, the biggest singla contract ever won by the

To help it through its financial problems, the company was recent-ly granted e new external funding limit of £38m by the Government for 1988-87, compared with an EFL of £16m for 1985-86.

The difficulties on the aircraft side in 1985-88 arose because of tough competition in the world market place which forced Shorts to trim its prices at e time when production and materials costs went up



with a model of the company's Type 360 twin-turbo-prop airliner

The company now says that it is back on track. Costs have been brought under control, and production is running smoothly. Sir Philip is confident that there will be profits again in the current financial

Thus, in the strategic review of the company's situation and for-ward policy that the Government asked for this autumn, the company will stress that it intends to retain its current "four-cornered" business structure - fixed wing civil aircraft, military aircraft, missiles and aer-

The company stresses its deter-mination to stay in the civil aircraft business but adds that, because of the virtually prohibitive costs of do-ing so alone, it will only do so on the is of international collaboration. Even in the small, light commuter transport aircraft market, in which Shorts has specialised, the development of a new type could cost well

An earlier agreement with Embreer of Brazil to work together on a future generation of commuter alriners appears to have been set on one side. The Brazilian company liner ventures, although the two craft. companies are still working together on the Tuomo.

That was the reason Shorts signed the agreement with de Ha-villand. The Canadian company has e long history of light transport air-eraft design and development, in-cluding the famous Twin Otter, of which many hundreds have been sold, and the more recent Desh 50 and Dash 8 turbonrop airliners which have been selling well in world markets.

Like Shorts, however, de Kavil-

bought by Boeing, the world's big-gest jet airliner manufacturer, thereby significantly strengthening its position in world markets.

Shorts' relationship with de Ha-villand can only be beneficial in the long term, for it will bring together two companies with comple tary products.

Currently the two companies are sindying the market possibilities for new airliners in the 19-seet to 50-seat bracket. Those studies are being conducted by each company independently but will eventually be harsely together in an avalues. be brought together in an analysis of what the likely market will be for specific sizes of aircraft in the

They will also study advanced ischnology, and especially the new generation of prop-fan engines now under devaluation. under development. In particular, Shorts is understood to feel that a major leap forward in technology is necessary if selling prices are to be brought down and a new airliner project is to stand any chance of uccess in an aiready overcrowded market for light transport aircraft.

The company believes that by late next year, the basic concept of what is likely to be needed by the early 1900s will have emerged, and it is only at that time that decisions is seeking a greater grouping of south American aerospace companies, which has diminished its desire to work with Shorts on new arregord and on what type of air-

> It is thus too early to say precise by what type of aircraft will emerge from the joint de Havilland and Shorts studies. But Sir Philip remains confident that something positive will result from the rela-tionship with de Havilland.

Looking further ahead, Sir Philip does not now see privatisation (the Covernment has been the sole owner of Shorts for many years) occurring for some time to come. He accepts that, although privatisation may still be on the Government's long-term programme, the company land has been finding the going will have to build up e track-record tough in the world market place of profitability before it can go to and earlier this year was itself the market for a flotation.

Lucas announces £4m expansion to make silicon chips in Ulster

announced a £4m expansion of its manufacturing activities in Northern Ireland which will give the province its first commercial-scale silicon chip fabrication plant. Lucas Stability Electronics, a wholly owned subsidiary of the

its factory at Antrim, 20 miles from Belfast, where it already employs The expansion will enable Stability to introduce a new range of components, known as surge suppressors, which are used to protect sen-

zards such as lightning, nuclear radiation and static electricity.

Lucas said it was seeking 10 per cent of the annual £40m world market for surge suppressors, used had always shown a readiness to ster would continue into 1987.

opment Agency backing at a factory on the Maesgwynne industrial es-tate, Merthyr Tydfil, South Wales. Full production of the vehicle, called the Scout, will start early

next year at the rate of 30 e month.

Mr Kent Davies, a chartered ac-

countant who is chairman of Auto-

motive Engineering and Manufac-turing (AEM), the company set up

for the venture, said yesterday the

and avienics industries. Small-scale production is current-

ly undertaken within the automative division of Lucas in Birmingham. This will be moved to Antrim and built up over five years. Almost half of the projected 200 labour group, will create 200 new jobs at force, mainly comprising engineering graduates, will be recruited in

Mr Andrew Little, director and general manager of Stability, said financial assistance from the Northern Ireland Industrial Development Board (IDB) towards research sitive electronic systems from ha-

Welsh agency backs new car

a roll-over protection cage and of-fers either soft or hardtop cover,

will use Austin Royer's 988cc engine and the Mini transmission. It has been designed to use several Japanese engines and trans-

missions should these ultimately be

years, when the annual rent will gnarantee, then be £1 per square foot.

The new car, which incorporates

Soont vehicle

LUCAS INDUSTRIES yesterday mainly by the telecommunications adapt to new manufacturing tech-

Until now Northern Ireland's electronics components sector has not included any large scale silicon chip manufacturing. Mr John McAl-lister, chief executive of the IDB, said Lucas's choice of Northern Ireland was very encouraging to offi-cials who had worked hard over the past year to boost the fortunes of

this sector.
Mr Peter Viggers, Industry Min-ister at the Northern Ireland Office. said the investment was the result of a fundamental evaluation by Laicas of a number of options and he was pleased that Northern Ireland

Prices of 'frozen'

HOUSE prices in Britain have fro-

Nearly 80 per cent of the 190 agents in England and Wales polled in the survey reported that house quarter ending in November, and 36

This winter slowdown follows a rapid rise in prices earlier this year. House prices have risen by a naduring the year to the end of November and by up to 25 per cent in Greater London

But the RICS points out that the slowdown in price rises has not been coupled with any slowdown in sales and suggests that it is only a seasonal bill which will be followed

"Now is a good time to buy, be-

shareholders were contributing £60,000 of capital and the Welsh De-To overcome rust problems which **Burtons' high-fashion**

BY FEONA MCEWAN

dia alleging that Manx companies are being used by insider traders in the UK and elsewhere. A NEW MAGAZINE enters ciculation today, with glossy cover, high-fashion features, innovative typography and up-to-the-minute art direction. Only this publication is not for sale. It is the Burton Group's another than the superior of the s BRITAIN'S independent televisinn companies are heading for record revenues this year. Thtal ITV revenue, net of advertising agency commission, is expected to hit £1.185bn for the calender year. The

the most mathematically literate, but there has recently been a dis-tinct attempt in many quarters to make them more readable.

Cleveland Bridge and Engineering, valued at £4.6m, and W.A. Dawson ble to more people.

annual report.

ment, the worse the company was faring. This view, however, is be-lieved to be dying as the City ac-

"It is obviously a risk," says Sir Raigh Haipern, chairman of the Burton Group, "but we wanted to be more adventurous, to make it more readable for everyone."

ty shareholders, but also potential shareholders and employees.

With 35,000 staff it is unlikely 1 can address them all in person," he

Altogether, 70,000 copies of the report have been printed, at a cost 20 per cent less than last year's re-

houses

zen with the onset of winter, according to a survey from the estate agents' body, the Royal Institution of Charlered Surveyors.

prices had not risen at all in the per cent of agents reported rises of only 2 per cent.

BY KENNETH GOODING

A REPLICA of the Mini-Moke, the open-topped, four-seat car, is to go into production with Welsh Development Agency is also providing the factory rent and rate free for two ment Agency backing at a factory when the annual rent will guarantee.

"Activity has not lessened since is built from n new zinc-based alloy, in the last report for the quarter ending in Cotober, and many estate and carries a six-year corrosion guarantee.

"Activity has not lessened since is built from n new zinc-based alloy, in give less and carries a six-year corrosion guarantee.

"Activity has not lessened since is built from n new zinc-based alloy, in give less and carries a six-year corrosion guarantee. Mr Davies said that most of the the RICS.

Scout vehicles would be exported - It also points out that the slow-AEM already has orders from Gam-hia, Cyprus and Crete. The UK price will be about 23,200, or 22,200 for n kit.

It also points out that the slow-down in price rises repeats e pat-sum already observed last winter, when prices stopped rising at the The major shareholders in AEM to rise again at a rate well above in-ter Mr Davies and Mr Ian Bishop, flation in 1987.

report breaks mould

Flick through a copy of Burton and you could be turning the pages of Vogue or perhaps Harpers & Queen. Annual reports may not yet be compulsive reading for any but

The traditional set piece of a dry chairman's statement, artiess pho-tographs of factories or offices followed by the all-telling figures, is being eroded, as imaginative design features make them more accessi-

Michael Peters, the design group responsible for Burton's report among others, introduced the pop-up report. Herman Miller, the US nodern furniture specialist, has taken to reporting on posters. Now, from Burton, comes the coffee table

There was a time when City of London analysis suspicions were aroused by glossy documents. The glossier they were, went the argu-

A strong believer in wider share ownership, Sir Ralph sees the re-port as instrumental in encouraging this. As "an important company vehicle" he sees it as reaching not on-

It is gimmicky and original, but is 20 pe it successful communication? If it is port.

are Mr Davies and Mr fan Bishop, well known in the UK crane business, who each have 30 per cent. fore the spring boom." TURKISH PETROLEUM

INVITATION TO TENDER FOR THREE SEISMIC CREWS

CORPORATION

The Government of Turkish Republic will extend the exploration activities for hydrocarbon in Turkey.

Implementation and supervision of these activities are the responsibility of TPAO, the national oil

The financial support for these activities is expected from the Warld Bank.

The seismic service under this project comprises the acquisition of high quality seismic data in Thrace sedimentary basis. Eonguldak, Sinop and West Tenrus areas. Furthese purposes, three seismic crews with 240-channel recording instruments will be used together with shot-hole drilling and dynamite as energy source. Proposed exploration programme covers a period of six to seven months starting at about late April or early May 1987. This programme can be extended to cover another six months period during summer 1988 npon TPAO's request.

TPAO's request.

Turkish Petroleum Cornoration (TPAO) invites tenders for any nr all of three seismic crews. Bidding will be on an international competitive basis. Bids will only be accepted from geophysical companies with at least three on shore field parties currently operating in areas nutside North America and Western Europe.

The deadline for receiving offers will be 11 a.m., January 21, 1967. The hids will be opened the same day at 2 p.m.

at 2 p.m.

Any bids received after the deadline stated above will be considered null and void. Procurement documents will be available December 23, 1986. Inquiries and offers should be sent to: TÜRKIYE PETROLLERI A.O., ARAMA GRUBU, MÜDAFAA CAD, 22. BAKANLIELAR, ANKARA, TÜRKEY

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Olivetti taps knowledge of modern-day Galileo

IN A cramped laboratory above an electricity showroom in the centre of Cambridge, UK, a doyen of computing is passing on some of his knowledge to o team of researchers around the world, most of whom were oot born when he recorded his finest scientific achievements.

finest scientific achievements.

Prof Maurice Wilkes, leader of the team which completed in 1949 what is regarded as the first fully operational electronic computer, called EDSAC, is now employed by Olivetti, the fast-growing Italian electronics company, to work on long-term research in areas such as software engineering and micro-

The professor, who has been working for Olivetti since the summer, has thus embarked on the third leg of e long and illustrious career in computing. The first phase was a 34-year sojourn as head of Cambridge University's computing labora-tory—which is where he built EDSAC, short for electronic delay storage outomatic calculator, and developed many software techniques in common use today. In between this and his joining Olivetti he had a five-and-a-half-year spell working at the Massachusetts search laboratories of Digital research laboratories of Digital Equipment Corporation, the world's third biggest computer

Peter Marsh discusses the continued role of Maurice Wilkes within the computer industry he helped found.

Wilkes, a genial man who looks much younger than his 73 years, is suitably modest about his achievements. "In the course of a long life," he says, "a lot of things have happened."

Dr Hermann Hauser, Olivetti's vice president in charge of research, who at the age of 37 is Wilker's boss, says that having the professor on his staff "is like employing Galilee to work on problems in

Hauser, the founder and exchairman of Acorn, the Cambridge computer company in which Olivetti took a chairman majority stake last year, says that Wilkes "provides a good source of vision and guidance." Wilkes'e ideas are intended to feed not only to the 12 or so researchers employed at Cambridge, but also to the scien-

tists employed at Olivetti'e other laboratories for long-term

research. Taree or these are in Italy, in Ivrea, Pisa and Turin, and the company is setting up two more in the US, in the Boston area and in California.

The main job of these centres, according to Hauser, is to work on projects such as advanced computer processing, voice recognition and software techni-

for being extremely energetic and end for being exhausting to talk to, worked on similar projects in his previous job with DEC, which he started in 1980, immediately after leaving his academic role at Cambridge University.

He edmits to a continuing fascination with computers. "To begin with no one had heard about computers and everyone thought we were mad. Gradually, the field became respectable. I still find it a very excit-

Dr Gordon Bell, who as e former vice president of engineering at DEC recruited Wilkes to the US company, saya the professor had been "influential in getting us (DEC) to look at areas such as high execution areas of company and the professor and the professor had been "influential in getting us (DEC) to look at areas such as high execution areas of company and the professor and the professor areas areas to be provided to the professor and the professor areas at areas such as high execution speed computers and new types of architecture." One of Wilkes's main areas of interest is in techniques to re-arrange the layout (architecture) of processing chips in computers to



Maurice Wilkes: On the third stage of an illustrious career

make the machines work more quickly. (see below) Bell, who is now essistant director of computing at the National Science Foundation in computer company may have beec disappointed to see Wilkes pack his bags and work for

pack his bags and work for Olivetti.

It was a case of "reverse technology flow," according to Bell, who says that as the Italian company is "technologically inferior" to DEC, it had a lot to learn from DEC's approach to areas such as pro-cessing architectures. "A lot of things he [Wilkes] is working on now, he captured in a DEC environment," says Bell. Working closely with Wilkes at Olivetti is Dr Andy Hopper,

another ex-Acorn director who

combines being in charge of Olivetti's Cambridge laboratory with lecturing in computing et the university. Indeed, Olivetti laboratory in oliveth laboratory in Can-bridge, which will specialise in network technologies and new kinds of microchips, is almost an adjunct of the university computing department, with all its staff having worked there previously and with many of the projects shared with the university. It was Hopper, an efferves

33-year-old who files his own aeroplane and was o former student of Wilker's in the 1970s, who cootacted the professor about a year ago to ask him if he would like a joh with Olivetti. Hopper says Wilkes "fits in very well" to the "youthful style" of the Cambridge Isboratory.

British industry begins to picture training benefits

WHILE British television viewers are currently spell-bound or shocked by the BBC's drama series, The Singing Detection — which parodies Philip Marlow in the exploration of a writer's childhood problems — accountants Price Waterhouse have been screening their own spoof about the American crime novelist.

haps to highlight an incorrect same some service stations (especially in East Anglia) and privides in East Anglia) an

The Price Waterhouse effort, however, is an interactive video (IV) programme — a training package designed to teach the package designed to teach the interpretation of accounts. Guided by Philip Maclow (sic) seeking claes, the veiwer can control the programme — retracing his or her steps or jumping ahead to examine specific pieces of evidence — all in the quest to read between the lines of a company's accounts and discover what is really going on.

The Price Waterhouse pro-gramme is just one of over 40 een recently in Brighton of a onference and exhibition shere interactive video sud-lenly has emerged as a vizhle und potentially major industry. The event attracted over 50 substitutes. Major industrial isers such as British Gas, laguar Cars, IBM, Shell and British Telecom are all instal-ing interactive video networks, unany of them claiming drama-tic benefits. The Price Waterhouse pro

One driving force in the enthusiasm for IV is training. Jaguar Cars, for example, has used it to introduce mechanics and dealers to the technical details of the company's new range of cars — with instruction covering everything from gearboxes to air conditioning gearboxes to air conditioning systems. The Jaguar network of 113 dealers has been equipped with IV systems and the company claims that four-day courses have been, in consequence, reduced to only two day courses, with less demand on trainers.

Interactive video links the moving (and still) pictures of a video disc (or even videotape) programmes to be explored in a non-linear fashion under the direct control of the viewer. The computer monitors the keyboard responses of the user, jumping to other parts of the programme which are appro-priate to the response — per-

notogy are becoming increas-ingly imaginative. Obvious ones extend beyond training into areas such as point-of-sale— where for example, a salesman can use the equipment to show



installed in hardware shops. Mothercare, Littlewoods and Co-op shops, in the UK, are among those with such point-ofsale systems.

Newer ideas, however, extend IV technology to often extraordinary limits. One example seen at Brighton is an American training programme for welders which turns the video disc IV system into a simulator.

The welding pupil sits in front of the television screen with a light pen, which when touching various parts of the screen will activate the system appropriately. But this is no ordinary light pen. It is a mock-up of a welding torch. The TV screen displays a joint to be welded and the "torch" has to be held at exactly the correct distance. at exactly the correct distance and angle to produce a satisfac-

If the torch is held too close, the video disc jumps ahead to reveal the weld over-heating. Too far away and the weld goes blue. If the angle of the "torch" is incorrect, a mercury switch inside it activates another part of the programme to yield the appropriate visual result.

for building products, reat exchange, drinks lispense, fluid power,

general engineering. Benomin organizating refined and wrought metals.

where, for example, a salesman can use the equipment to show customers a whole range of products. In the US, Florshelm shoe shops and opticians (for spectacle frames) operate such services, while user-operated systems for DIY supplies have systems for DIY supplies have maps of the entire world on to video discs as part of the video discs as part of the

defence programme. Training and education are emerging as the leading customers for IV. partly because of the demonstrable efficiency of the technology-reducing training time, delivering instruction with absolute ing instruction with absolute consistency, and allowing indi-viduals to be trained, unsupervised, as and when convenient.

wised, as and when convenient.

With UK industry still
suffering from a lack of skilled
people, training is moving
higher up the country's ageoda.
One speaker at Brighton
claimed that British companies
spend only 0.15 per cent of
turnover on training compared
to the three of four per cent to the three of four per cent of some other nations.

Since an IV network, with programmes, may easily cost film to instal, it is easy to see why this new industry is getting excited about its prospects. The Department of Trade and Industry is vigorously en-couraging companies to use IV —even funding some projects; and Britain is challenged only by the US in IV expertise and exploitation of the medium.

For the manufacturers of the hardware, and in particular Philips of the Netherlands which has established a lead in IV systems, it is a new market ready to take over as consumer video begins to level out. Like all new growth industries, however, it may face one danger— an influx of opportunists who One of the award-winners in know little about this complex the Philips-sponsored competition technology and the creative tion for programmes at Brighton demands of its programming; demonstrates an IV application and with reckless price-cutting that will interest UK topiorists. leeding to more failures than This is Shell's "Traveller's successes, they could drive Check"—an information klosic away some first-time customers which has been installed in forever.

MAESTRO BEHIND CREATION OF £100BN-A-YEAR MARKET

Professor Maurice Wilkes was among the gifted scientists, ost of them from the US or Britain, who in the 1940s and 1950s built the first electronic computers. In the process, they laid the foundations for sales of about £100bn.

Wilkes' role in the 1980s in helping Olivetti to devise new types of electronic machines is broadly equivalent to having Orville Wright transported by a time machine to work on jumbo jets.

"He (Wilkes) is a remarkable man, with an extraordinary ability to keep up with what is going on," according to Bernard Cohen, professor in the history of science at Harvard University.

Prof Wilkes is famous mainly for his work in tech-niques related to software, the instructions that make the electronic circuits inside computers tackle specific problems, anything from

working out payroli figures to tracking guided missiles. Some of Wilkes's basic ideas in programming, which he worked out 30 years ago, " are worked out 30 years ago, "are still as relevant today as they were then." says Brian Randall, professor of comput-ing at Newcastle University

in Britain.

According to Dr Martin Campbell-Kelly, a computer historian at Warwick University, one of the key points about Wilkes's work on the EDSAC, his pioneering computer of the 1940s, was that Wilkes "kept his sights rather low. He was not particularly interested in the technology, he just wanted the machine to work."

This approach led Wilkes and the other members of his team at Cambridge University to explore new ways of writ-ing software for the machine (and later versions which they produced in the 1950s) so that the computers could tackle more complex prob-

iems, Out of this work came two major advances: • Microprogramming. This a

technique, almed at making computers more flexible, of arranging the process circuits of a computer such that they can easily be repro-grammed. In essence, the approach saves the computer engineer from having to redesign the circuits each time he wants to attack a more difficult problem,

more difficult problem,

Subroutines, Wilkes is credited with advances in ways of "stitching together" hig and complex programs by using a library of small components of software, each of which has been fully developed and tested. This is givilar to an architect design. similar to an architect designing a house using a series of standard drawings that describe kitchens, bathrooms and so on.

Elements of this work in software are highly relevant to the studies taking place in computer laboratories around

the world - including those into new architectures for computers. Among the ideas for new circuit lavouts, intended to make programming simpler and to speed up processing, are so-called RISC techniques, short for Reduced Instruction Set Computers. According to Campbell-Kelly, Wilkes should be able

Kelly, Wilkes should be able to make a major contribution to these activities. "He has got tremendous insight and can come up with deceptively simple solutions. I shall be interested to see what emerges" (from his work at Olivetti).

Livetti).

Looking back, Wilkes notes that some of the skills needed to build computers have changed somewhat. One of the Cambridge University machines which followed EDSAC was constructed with the help of an engineer seconded from J. Lyons, the catering company which was an early computer pioneer. The engineer had previously

rked on vending machines for hot sausages.
According to Wilkes, the early computer engineers "always had the vision" of the machines growing into a big business. But due to the unexpected advent in the 1970s of integrated circuits which in a few years changed computers from being enormous, power hungry machines made from valves to small boxes packed with silicon chips that could sit on declar the industry seems desky—the industry grew much more quickly than he could have anticipated.

The event which brought

the event which brought home to Wilkes how much computers had altered occurred at a party to mark his retirement from Cambridge University in 1980. "Clive Sinclair came along and gave me one of his conputers. I realised that we had reached the stage where people gave away computers in the same way as they hand over a bunch of

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Company Notices

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An interim dividend of 4.0p per share will be payable on or after 8th January, 1987 to persons presenting coupon No. 44 detached from share warrants to bearer.

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ng Corporations.
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23 December 1986

Ordinary Shares of 25p each Preferred Shares of £I each

and to be issued £12,399,266 £8,000,000

Application has been made to the Council of The Stock Exchange for the share capital of International City Holdings PLC to be issued as set out above to be admitted to the Official List. It is expected that dealings in the shares to be issued will commence on

23 December 1986.
Listing particulars relating to the Company are available in the Extel Statistical Services and are available for collection for the two business days following the date of this notice from the Company Announcements Office of The Stock Exchange. Copies of such particulars are also available during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 7 January 1987 from:

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Personal Pensions Survey

The Financial Times proposes to publish a survey examining The Personal Pensions Industry, and how it is progressing towards April 1988, Saturday 31st January.

> To advertise in this survey contact: Michael Bampfylde, Financial Times, Bracken House, 10 Cannon Street. London EC4P 4BY Tel.: 01-248 8000. Telex: 885033

December 23, 1986, London By: Citibank, N.A. (CSSI Dept), Agent Bank

£50,000,000 Floating Rate Notes due 1995 In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 17th December 1986

of 11% per annum.

The interest payable on each £5,000.00 and £50,000.00 Note on the relevant interest payment date, 17th March 1987, against Coupon 7 will be £143.32 and £1,433.22 respectively.







Korea Exchange Bank

to 17th March 1987, the Notes will carry an interest rate





Castel Sant'Angelo, Rome/William Packer

Martin Hoyle

There seems to be no holding Manchester's Royal Exchange Theatre Company.

After Marigue's Educed II and a new work, both favour-ably noted by colleagues in these pages, they now come no with an audactous, vital and abrasive production of Wycherley's comedy of cuckoldry that draws parallels between the Restoration and our own times. The result is

Not since the same com-pany's dazzling costumed Hoy Fever has such an antic parade nudged current fashion so insolently in the ribs. Elements from three centuries combine in effects that are as contemporary as today's (no — tomorrow's) atyle magazing and as timeless as all great satire. The fatuous Sperkish, for example, initially sports a padded-shoulder dresscoat (outrageously lined), purple cummerbund, silvertassled chains, black tights and a miniature crown perched unshakeably on his head. The men'a headgear ranges from pilibox to bowler (for the Fireading Fidgel). The women's stylised full skirts and trains are more conventional but no less splendid in red or purple, or, as with Alithas's wedding dress, black and white, dripping with pearls and bristling with feathers.

Mark Thompson's designs set ribs. Elements from three cen-

with feathers.

Mark Thompson's designs set the tone of soulless ebic. Tubular parallel bars, like outaize toast-racks, glide in on rail tracks to do duty as furniture. A town promenade is overhung with Perspex showcases containing, among other things, femalo legs and a male torso: dehumanised humanity, now marely nhiects to sequire. As the excellent Alex Jamings booms and preens as Sparkish (a role that period wigs and ruffies could topple into tushery) camp is bypassed, arch founcing swided, and all falls into immervingly sharp focus. This ruthless pursuit of focus. This ruthless pursuit of style with the hard, cold brilliance of diamonds is of

The Northcott programme tells me that Dickens wrote 400,000 words about Pickwick,

only the parts for his script that people will enjoy for their famillarity. These are the best part of the dependent musical, real mutations of Dickens's inventions. Sometimes he has put too much faith in the written word. The case for Mrs Bardell seems to gn on for ever. What it needs is some

ever. What it needs is some background melodrama (in the

real sense of the word), which would actually help Christopher Northey in his already good

presentation of it.

Leslie Bricusse's lyrics are mostly sutobiographical — "I am" or "I dn" pieces, often with so many verses that one tires of the repeated choruses. Cyril Ornadel has set most of them in a conversational manner, very good for the words. Pickwick's "If I ruled the world" provides the only tune to take away, though, and then you have to forget the

course punk. Aptly; given his filmic recrea-tion of Sid Victors, Gary Old-man is an intense Horner of

It systems, it is a great Taileo begins to laid e Trivitah Mar post Maka Ma Maka Ma and theory was ... erer it may face me t an indust of opposer Engineer demands of its pass paint to more than successes, they me Sway some firsting

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repressed energy and pent-up intensity. We meet him in a crimson dressing-gown with a train that Turandot might envy. He throws it off for barechested serobics, part exercise, part war dance. Hollow-seed. part war dance. Hollow-eyed. black hair lank, this sexual machiavel is grimly earnest in his amorous stratagems, almost epileptic in frenzied fantasis-ing, bia legs buckling with desire, one foot raised and sus-pended, a stallion about to paw engrossing, provocative and thoroughly exhibitating.

pended, a stallion about to paw the ground.

Chery! Campbell's lovably busolic Margery is an innocent sensualist, as yet lacking Horner's cunning but his match in physical energy. She jogs, does a spot of gym and turns somersaults before her opening line on the possibility of a good walk in London. Hearing she has an admirer, she follows a moment's incredulous silence with shrieks of delight; and later flies into a delight; and later flies into a delight: and later flies into a screaming tentrum at the prospect of going home with nothing of London to tell her country neighbours. Hugging and kissing her soft toys, she cackles with joy at the memory of Horner's tongue between her lips: and writes her elandestine love letter in mounting excitement satride a cabbage patch doll.

Le stule c'est but. Where

patch doll.

Le style, c'est tout. Where appearances are alt, the outsider would of course be as dishevelled, unshaven and tremp-like as Isia McDiarmid's Pinehwife (that length of bare shin between tweedy knee-breeches and lace-up hoots says it all). This virtuoso comic performance prances, coos, maris, sanate at the audience and leaves snaps at the audience and leaves one uncomfortably aware that Margery is lumbered with a butly as well as a buffoon. There

is no comfart in this play.
In support are actors of the calibre of Duncan Bell (Orlando in the Exchange's notably suc-Shells Ballantine, whose Lady Fidget points the wit with the bitterness of experience. Much of the dialogue emerges as fresh and funny. Only a second-night flathers, when some of the company seemed in hold back, marred the performance. Once they get stuck in the effect will be memorable.

Turnbull's in Sydney; and as Pickwick loses, we find our-

selves back in the Fleet. There,

members of the Pickwick Club, pays off everyone's debts, in-cluding Jingle's, and everything

ends as improbably happy as

Pickwick/Northcott, Exeter

B, A. Young

On and up we go through the gloom, first by the wide old badrianic ramp that curves around the central mass of the castle and then, at right angles, by the gently stepped corridor which Pope Alexander VI (1492-1503) cut straight through follow their various adventures, including Pickwick's accidental the beart of the ancient tomb. Thus we reach e small courtyard. embrace of Mrs Bardell. We go skating in a morning cloud of mist, through which Pickwick sinks, rather undramatically. samewhat below the level of the ramparts, in enter the exhibition proper and a sequence of rooms, quite plain at first, that become ever more richly decorated, light and airy as we climb. At last we emerge a little above the ramparts with the while of Rome at our feet. down to his waist; then, after the interval, we arrive at Eatonswill for the election, where Mr Pogson shows off his tenor voice in "If I ruled the world." Next follows the case But these, real as they are, are but incidental pleasures to our serious purpose, though Bardell vs Pickwick, with its darts at the law, almost as out-rageous as those of Mr Malcolm

The Castel Sant'Angelo is the

can, and was indeed over so many centuries the military key

It remains the very image of

effective, ancient secular power, and is inescapable in its imagi-

native force and physical

the point too far to take the

topmost rooms, a surprise and a delight. The exhibition

supplies the excuse to enter the place and takes the opportunity in show the building off to fine

We are first led down to the

lowest vestibule, first bult as the

mausoleum of the Emperor Hadrian. There, a single object,

a megnificent baroque ciberia

by Cosimo Fanzago (from the Naples Museum), in the form of

a miniature basilica some six feet bigh and iniald with semi

precious stones and metal, both announces the exhibition

and turns us on mur ascent to the upper levels.

to the city.

advantago.



Decollazione di S. Caterina D'Alessandria

purists would complain at the distraction. God knows quite how much material there is in Italy, from which to draw for an exhibition of this kind. Yet even the most dedicated culture tourist, Beideckered to his knees at the end of a long, bot day, might be forgiven for supposing that the delights of the local Diocesan Museum could safely be forgone. The evidence here is that he would be mistaken, and with this—hut a teasing taste of the treats a teasing taste of the treats that might be had we can only begin to guess at what else there might be uncollected, nu-catalogued, unremembered and

our serious purpose, though Sacred Works of Art has chosen Here the visitor is on his own, only the most bardened of a mere 90 works to represent to test his own experience in

In terms of general scholarship there is no consistent argument or exegests, no connut of sight.

The Pontifical Commission for particular object for what it is.

the face of the work and trust his own response, for there is little point in my detailed rehearsing of the catalogue. I shall simply go through the card, as it were, marking a few personal favourites.

The first two rooms are given over principally in sculpture and the earliest paintings. A reliquiry of Saint Barbars (the Ravello Cathedral Museum), locally dated from the 14th century, commands the entrance. It is perhaps the oddest and certainly the most striking object in the show, a ailver-gilt and polychrome half-length of the unfortunate lady, her hand raised above the tower that is the attribute of her martyrdom. She stares fixedly ahead and with the utmost severity. No less sculpturat but in-

finitely more touching and bumane is the 15th century carving in stone, from the studio of Domenico Gagini, of the figure of the Madonna of the Amunciation (Palermo), half turning in her surprise at the news. It is the most natural thing in the world, and the relaxed sway of her figure beneath her dress recalls nothing so much as Herrick and the sweet flow of his Julia's silks. But more beautiful still is the late 16th century Madonna enthroned with the Holy Child lying on her lap, in nainted wood, and attributed to Silvestro de L'Aquiia (L'Aquiia). The palpahle lightness of the material, compared to stone. informs such earvings with a natural and immediate tiveli-ness that can touch the heart. Hieratically four-square and sculptural she may be, but so lightly does Mary turn her bead aside past her praying hands to smile down on her child. As for the paintings, they

include some very grest works indeed, among them a fine Martyrdom of Saint Catherine of Alexandria, by Guldo Reni (Albenga), a magnificent Saint James the Great by Titian (Venice), and best of all—to finish the exhibition—The Vision of The Virgin and Child to S. Fillippo Neri, by Tiepolo, with its eestatic flurry of cloud to S. Filippo Neri, by Tiepolo, with its esstatic flurry of eloud and silk, fresh and angel's wings on high. But it is characteristic of the exhibition that so much of what is so good should be by nbscure artists, if not acutally nuknown. And across the room from the Tiepolo, as though to make the point, the Annunciation by Francesco Solimena (Nsples), painted around 1700, bolds its place on its merits. It may have place on its merita. It may have nothing of Tiepolo's astonishing ease and mastery, yet for all that it is as firm and vigorous in its handling and dynamic in its composition as

La Boheme/Grand, Leeds **Andrew Clements**



Eiran Davies and Adrian Martin

Anyone conditioned by David Freeman's Opera Factory productions into expecting radical, irreverent reworkings of staple operas is in for a surprise with his staging of La Bohème for Opera North, which opened in the Grand Theatre, Leeds last Thursday. For Freeman's conception sticks closely to the feeling and spirit of the original: by nn means exactly that of Puccuni's opera, but consistently observing the detail of Murger's composed from which libretto was fashioned.

fill the gaps left in the story by Puccini and at the same time setting the action in an historical framework. The commentary is delivered by Schaunard 20 yesrs after the events and now grown into a successful scade mician.

Only in evoking the Café Momus does Freeman felter: his bandling of the crowds of Christmas revellers is routine and unimaginative. From his corps of principals, however, he obtains characteristicsly close-knit, finely-detailed perform

fashioned.
Freeman's concentration upon Freeman's concentration upon bistorical and literary accuracy emerges in the note be provides for the programme book: "Episodic and spontaneous, the one thing Bohème cannot survive is pomposity. It is a view of Paris, of a particular threatened social group living on the fringe of organised society, seen through the perspective of six characters. Miml's desth is a pity, not a tragedy."

tragedy."

That defines the tone for the evening—precise, light-fingered and gently witty, given pace by Amanda and Anthony Holden's deft and un-selfconscious English translation, while the Paris of 1830 is also conjured artifully in David Roger's dusty and downbear sets. The intertragedy. and downbeat sets. The inter-polation of spoken narrative derived from Murger at the start of each act is the most striking emendation, serving to much superfluous sentiment.

Anyone conditioned by David fill the gaps left in the story

knit, finely-detailed perform ances which manage to focus a particular slant on the opera again perheps closer to Murger than to Puccini. Here there are a Marcello (William Shimell) and Musetta (Anns Steiger) as forceful and at least as attractive as the central psir of lovers; Shimeli makes an imposing severely handsome painter, and Steiger is strongwilled, entirely serious. Their full-blooded singing is also con-trasted with the lighter tones

of Eirian Davies's Miml and Adrian Martin'a Rodolfo. Elgar Howarth conducts a brisk account of the score, full of crisp woodwind detail and leaving little space for sumpattuned to whet promises to be a durable, intelligent produc-tion that manages to expose the well-knit dramatic bones of the npera without retaining too

The Nutcracker/Covent Garden

Clement Crisp

set seems to me as imagina-tively vivid as anything the composer wrole for the theatre — there the staging respoods with sympathy. I have already commented this season upon the magical effects obtained the magical effects obtained fetto, it asks, in effect, for different perceptions from us formation of the Stahlbanm drawing-room, as the scale of Clara's world changes to nightmare proportions, the Christmas tree grows, and the battle with the mice ensues. Listening to Sent version is entirely happy. mare proportions, the Caristmas tree grows, and the battle with the mice ensues. Listening to Gennady Rozhdestvensky'a loving account of the score on Saturday afternoon and evening, with the Opera House archestra on best farm, there received the harmiest replacements. seemed the bappiest relation-ship between what we heerd and

There can be an greater compliment than to say thet the there was not much sparkle Royal Ballet's Nuteracker about them on Saturday. But bonours Chaikovsky's music, the grand pas de deux and the Where the score is at its return to Brosselmeyer's story grestest—the whole of the first puts the gilt back on the set seems to me as imaginates the gilt back on the set seems to me as imaginates. rounding-off of the narrative leaves a sense of dramatic satis faction rare in stagings of this most difficult ballet. For diffi-cult it is; intractable in its libretto, it asks, in effect, for dif-

Performance on Saturday brought several debuts. At the matinee, Maria Almeida and Antony Dowson were stylish, technically clean, as the Sugar Plum Fairy and her cavalier, with Miss Almeide most attraction. ship between what we heerd and what we saw. Chalkovsky'a poetic fervours, the skills of Julia Trevelyan Oman as designer and of Peter Wright as producer were in entire harmony, and we—andience elderlies and tots alike—were beld in a child's gasp of delight at the mechanical excitements that a theatre can give us and, pace the recent Beauty and the Beast, give us with theatrical purpose in Nutcracker.

The second act divertissements are a bore, except for the

Schnittke/Almeida

Dominic Gill

Music/Monday. Opers and Ballet/Tuesday, Theatre/Wednes-day. Eddibitions/Thursday. A selective guide to all the Arts

with so many verses that one titres of the repeated choruses.

Cyrll Ornadel has set most of them in a conversational manner, very good for the words. Pickwick's " If I ruled the world" provides the only tune to take away, though, and then you have to forget the truisms of the words. Mr Bricusse is no Lorenz Hart.

We begin with Pickwick, a friendly figure portrayed by Geoffrey Pogson with half his hair shaved off, joined by Sam Weller in the Fleet prison. The arrival of a coach drawn by two shire borses, which burst open to reveal the actors luside, takes us to the Christmas Ever meeting of the Pickwick Club.

takes us to the Christmas Eve basic motherliness mader her meeting of the Pickwick Club, avarice. The versatile scenery complete with Wardle and his is the design of Sean Cavanagh, ladies, Snodgrass, Tupman, and Liz Ascroft did the cos- Winkle and Jingle, and we tumes. 1950s and early 1960s, and its distloctly more extrovert, and Improvisation and Fugue for final movement in particular, the working more adventurous piano solo, played by Andrew subtitled "Cadenza," harks and original. One of Schnittke's Ball, seems to recall the sound-

The Soviet composer Alfred Schnittke attended the British wisfulness, to the plangent us here, Quasi use sounds for premiere of bis first symphony at the Festival Hall last week; (Schnittke spent the musically that year—an exuberant essay and to bonour bis visit to this country, the ensemble Chame-leon also mounted a chamber worked on a Russian-language first to last by a B-A-C-H motif recital devoted entirely to bis music st the Almeida Theatre on Saturday afternoon.

Schnittke's first atring quartet of 1966, which uponed the programme, is far removed from bis later style. leon also mounted a chamber worked in a Russian-tanguage recital devoted entirely to bis music at the Almeida Theatre on Saturday afternoon.

Schnittke's first atring quartet for the unpredictable which we recognize as the hallmarks of gramme, is far removed from bis later style.

The zamy, celectic world of the aymphony. Its bome is the more first sketches for the symphony conventional serial arens of the listing the manner had become 1950s and early 1960s, and its distinctly more extrovert, and

sonata): while the afternoon's most recent Schnittke work, the second string quartet of 1980, barks back quite explicitly st key moments in its finele to Shostakovich. The third meso movement is an extraordinary hybrid of a Bartok nocturne and a mediaeval lament; but there its sparkling momentum and is nothing anywhere in the energy, and the excitement of its invention.

References abound. The inthusiastic recognition and improvisation and Fugue for piano solo, played by Andrew Ball, seems to recall the sound-links forged.

world of Prokofiev's Toccata (and once or twice the pounding finale of the seventh plano sonata); while the afternoon's

December 19-25

Opera and Ballet

Arts Guide

LONDON

Royal Opera House, Covent Garden:
Royal Ballet in The Nutcracium.
Boyal Pastival Hall: London Festival
Ballet in The Nutcracker.
Sadler's Wells, Rosebery Avenue: Sadler's Wells Royal Ballet opens a season with The Snow Queen on Tuesday.

Stantasper, (51444/2635): A Summer Night's Dream conducted by Richter; La Bohame canducted by Makherras with Freni, Wise, Dvorsky, Hornik, Helm; Die Fiedermans conducted by Neuhold with Ghararian, Dernesch, Lind.

Volksusper (51444/2635): Madame Pompadour conducted by Bibl; Der Opernball conducted by Boncompagni; Die Fiedermans conducted by Bibl.

Membech Gala and dinner with Or-chastre National conducted by Georges Prêtre and Paris Opéra Choir and Ballet from \$30pm until midnight Paris Opera (Wed) (4266 50 22).

NEW YORK

letropolitae Opera (Opera House): The week features Rigoletto con-ducted by Thomas Fulton in John Denter's production with Mariella Devia, Sherrill Milnes, Dano Ref-



Kiri Te Kanawa, this week in Die Fledermans at the Metropolitan Opera House, Lincoln Center, New York.

bene conducted by Julius Radel in Franco Zeffirelli's production with Leona Mitchell, Barbara Daniels and Brian Schemayder, Fidelio con-

ducted by Klaus Tennstedt in Otto Schenk's production with Hildegard

Behrens and Robert Schunk; and Die Fledermaus conducted by Jef-

frey Tate with Kiri Te Kanawa, Ta-tiana Troyanos and Otto Schenk in Otto Schenk's production. Lincoln Center (\$22,000). New York City Balles (New York State Theater): The company's 85th sea-son continues with five weeks of The Nutcracker. Lincoln Center (\$70,550).

(8705570).

Next Wave Festival (Brooklyn Academy of Music): Philip Glass and Robert Wilson's collaboration, the Civil warg, is presented in the festival with the American premiere of Act V. Rome Section). Ends Dec 30 (1186364100).

WASHINGTON

Washington Opers (Perrace): The second part of the company's season at the Terrace Theatre features Don Pasqule in a new production by Douglas Wager conducted by Cal Stewart Kellogg with Francois Loup in the title role, Pamela South as Norina and Gran Wilson as Ernesto. The 1962 English-language production of The Abduction from the Seragilo seturns conducted by Arnold Ostman with Joyce Guyer as Constants. Devid Kuehler an Belmonte and Kenneth Cox as Osmin. Kannady Center (254925).

Lysic Opera: Lofti Mansouri's 1981 production of The Merry Widow makes its holiday reappearence conducted by Baldo Podic with Maria Ewing in the title role, Alan Titles. Washington of Content of the Newlyn school, and if your budget cannot stretch above £500, look for pedestal desks and foreign topographical prints; coral items text by Baldo Podic with Maria Ewing in the title role, Alan Titles. Washing are some of the Content of the Newlyn school, content of the Newlyn scho

Lyric Opera: Lofti Mansouri's 1981 production of The Merry Widow makes its holiday reappearance conducted by Baldo Podic with Ma-ria Ewing in the title role, Alan Titus as Prince Danilo and Jerry Had-ley as Camille de Rossillony (3322344).

Saleroom/Antony Thorncroft

What the experts think

Once again Phillips, the London auction house, has come up with its tips for antique collectors on the best buys for prises among the tips, but the 1987. It asks 140 of its specialists to name the Items in their fields which have been in greatest demand in the past year—and also those which they consider to be under-priced. It also encourages them to make suggestions outside their particular area.

bronzes, photographs, and commemorative medals.

Perhapa there are few surprises among the tips, but the very unanimity among experts in interesting the more useful to readers. In furniture middle of the road continental came furniture are supported. In paintings the 15th and 16th centuries, and English and 16th centuries, and English portraits, are liked, and, in the

tibles, with golf memorabilia. century portraits, the 17th centoy soldiers and Dinky toys well tury Japanese porcelain, chess to the fore. There were also aets and musical boxes, and late backers for 19th century oriental Victorian diamond brooches.

NAPOLEON MALT WHISKY. The Glenlivet dynasty can be traced back to the eighteenth century when M. Bonaparte's rule began. Today, Scotland's first 7 malt whisky is also first choice in Paris. Scotland's first malt whisky. -

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Tuesday December 23 1986

The oil price roller-coaster

time, appropriately enough, on April Fool's Day, before stabil-ising at around \$15 in the autumn. Ironically enough, as December draws to a close, the oil price forecasts of late 1985 are beginning to look realistic are beginning to look resulting again: the reassertion of discipline within Opec makes a \$20 price a distinct possibility in 1987; the futures price for February is already close to \$18, the cartel's immediate target.

Pain threshold

Most observers egree that Opec is now showing a remarkable degree of unity. Saudi Arabia and Iran, for once, are pulling together and there seems reason to suppose that members will not cheat on the demanding new production quotas, at least in the initial stages of the agreement. stages of the agreement.
Whether this demonstration of collective purpose will prove sufficient to stabilise the oil price at a significantly higher level depends on many factors, level depends on many factors, not least the reactions of non-Opec producers and the speed with which the large overhang of oil stocks can be absorbed. Rises seem likely if only because a stable price of around \$18 would gratify so many interests ontside the Gulf. A 20 per cent rise in the oil price from prevailing rates would from prevailing rates would bring sizeable relief to the energy sectors in the US and UK and to oil-exporting develop-ing countries such as Mexico. The big oil companies have long regarded \$15 as uncomfortably close to the "pain threshold" of \$10 and their strategists argue that such a price is too low to ensure an optimal longrun commitment to exploration and conservation. Such argu-ments cannot easily be dis-missed even if they do contain a liberal dose of self-interest.

The macroeconomic consequences of a \$3 or so rise in oil prices do not look too alarming. This is partly because the benefits of a sudden fall in oil played. The OECD, among

was too optimistic: 1986 has

Gorbachev and

A YEAR ago, adventurous analysts were predicting that the oil price, then close to \$30 a barrel, might fall as low as \$20 in 1986. In the event, the price plunged precipitously, dipping below \$10 for the first time, appropriately enough, on April Fool's Day, before stabiling at around \$15 in the economic momentum. economic momentum.

> There are many reasons for this. The OECD stresses that the lack of growth is partly a timing problem: in many countries, such as Japan, the benefits of lower energy prices bave been passed through only in part to the final consumer. More fundamentally, a change in the price of any commodity is bound to create both winners and losers; the purchasing power gains of rich industrialised countries have heen offset by the income losses of oil producers who have cut back savagely on imports. This should not seem surprising: it would be odd indeed if the growth rate of the world economy could be substantially changed merely by a change in the relative price of a single

> The main lesson from this year's extraordinary events in the oil market is surely that excessive volatility in the price of a key commodity is in the interests of neither producer nor consumer. A roller-coaster which carries oil prices from a high of \$30 down helow \$10 and then up towards \$20 all in the space of 12 months is an economic menace.

Saudi strategy

Snch oscillations are not a reflection of genuine fluctuations in demand and supply or in long-run expectations; they mainly reflect power-play within Opec — the Sandi strategy, initiated by Sheikh Yamani, the former oil minister, of flooding the oil market in order to bring recalcitrant members of the cartel to heel

The fact that, after a harrow ing 12 months, the Saudi strategy is showing signs of bearing fruit is very much a mixed blessing for Western oil consumers. A united Opec dominated by moderates may be preferable to chaos but it will not guarantee either a stable other forecasters, admits that or an efficient price for oil in the longer-term.

human rights IS THE return from exile of Dr Andrei Sakharov to Moscow announcement of riots in Kazatoday a tactical manoeuvre to defuse the Soviet human rights issue in the eyes of the world announcement of a new Communist leader for the

The real motives of the Kremlin are a mixture of the two. Soviet self interest and the more liberal atmosphere under Mr Gorbachev both argued against Dr Sakharov's continued detention. His seven years in exile in the city of Gorki had failed in its original intention of silencing his voice and had, if anything, exalted his status as a martyr.

Dr Sakharov's detention also seriously undermined Mr Gorbachev's efforts to improve the Soviet image in the world. The Kremlin now gives a high priority to removing itself from the centre of US demonology as "the evil empire." Soviet foreign policy makers cite with satisfaction US and West European opinion polls showing a reduction in distrust of Soviet

state power against the indivi-

intentious.

In these circumstances Mr
Leonid Brezhnev's policy of repressing internal dissent in the Soviet Union hy imprisoning or exiling its leaders bad become a political liability. The price paid in discrediting the Soviet Union ahroad was completely munist Party has any plans to dilute its authority but it does Union ahroad was completely out of proportion to the threat posed to the regime by a few bundred dissidents at home.

Deft manoeuvre

This sensitivity to adverse publicity in the West benefits prominent individuals whose cases have become well known ahroad such as Dr Sakharov or Irina Ratushinskaya, the poet who arrived in Britain last week the Kremlin could return to the orthodoxy of Mr Brezhnev's years even if it wanted to.

The final reason for taking the release of Dr Sakharov very after her sudden release from spinisher sudden release from sudden release from spinisher spinisher sudden release from spinisher sudden release from spinis of 280m ordinary citizens of the stemming from the release of Soviet Union.

Here the signs are optimistic

—less because of the release of become equally well publicised Dr Sakharov, which could be unless the Kremlin is to be explained as a deft manoeuvre more tolerant of dissident views. explained as a deft manoeuvre more tolerant of dissident views. In super power public relations, than because of the other measures taken by the Soviet Government last week. Since Mr Gorhachev came to power there enunciated in the columns of the has been greater openness over Pravda and Mr Gorhachev's economic and social failings of own speeches.

or a sign that Mr Mikhail Gorba-chev is taking practical steps to limit the arhitrary use of Soviet admitted violent political dissidence on home soil.

The announcement of the release of Dr Sakabarov also coincides with an attack in the Communist Party daily Pravda criticising Mr Leonid Brezhnev, ruler of the Soviet Union from 1964 to 1982. It is noticeable that the thrust of the criticism is not the failure to modernise the Soviet economy over the past 15 years but the lack of democracy and absence of

Wider margin

It was the ideological and mental vacuum which existed in the Soviet Union in the 1960s and 1970s which gave the small hand of active dissidents such real potency. The failure of Mr Brezhnev and the men around him to produce any ideas about how the Soviet Union should deal with its problems made

dilnte its authority but it does mean the margin of what is allowed has widened significantly over the last year. There is always tha threat of a backlash, but for the moment it is increasingly difficult to see here.

notable dissidents will soon dissipate, and other cases will

THE ROVER GROUP

A new plan, an old problem

By Kenneth Gooding, Motor Industry Correspondent

C OMEONE wished Graham Day, the Rover Group chair on management style. He is man, "good luck." Mr Day smiled ruefully. "I need more than that. Give me your

Mr Day has been putting the finishing touches to the Rover (formerly BL) corporate plan—it was delivered to the Government yesterday — and he is clearly aware of the many com-mercial and political pitfalls ahead. He moved to the group only eight months ago with no motor industry experience but a reputation for handling politi-cians—an ettribute which should not be undervalued; ultimately Rover's direction will be de-cided not by its management but by the Government. But for the moment the question is starkly this: can Mr Day start to reverse Rover's seemingly endless decline? In November, the company recorded its lowest-ever share of the UK car mar-ket — just 12.76 per cent.

So far, Mr Day has kept his strategic cards close to his chest, but since arriving as Mr Day is aware of

the commercial pitfalls ahead

chairman and chief executive in May he has lived up to his reputation as e manager who thinks hard then acts quickly.

The underlying objective remains the one stated in the April annual report: "Tha return of all the constituent businesses, either together or separately, to the private sector as soon as practicable." Mrs Thatcher felt that the

previous Rover management team was dragging lts heels on this score. Not so Mr Day, He has confirmed the former management's decision to sell a majority shareholding in the Unipart spare parts business to a group of financial institutions, and that Leyland Bus will be the subject of a managementled buy-out.

He has given the go-ahead for the disposal of Istel, Rover's computer services company; JRA, its Australian subsidiary; and Llanelli Radiator, a com-ponents producer which does not rely solely on Austin Rover for its husiness.

Earlier this month Mr Day also announced that he had found two potential partners for Leyland Trucks. Land Rover, the centre of a political row which stymied an earlier Trucks and General Motors of the US, will be retained for another two or three years, when it might then be in good enough shape to he floated on the Stock Exchange.

Since Rover is destined to be a much smaller group Mr Day has felt able to dismantle the old management structure that split it into two divisions—cars and commercial vehicles— hringing control back to the centre.

This structure suits his handschairman of four of the six companies into which Rover has been split: Austin Rover, Leyland Trucks, Freight Rover, and Land Rovar, assisted by a managing director in each case. Some argue that the six senior executives who have left Rover and Austin Rover will be sorely

"Every changes take place in the company good people are given management talent is now spread thinner than ever," says Garyl Rhys, Professor of Motor Industry Economics at the University of Cardiff.

With a handful of ex-British Shipbuilders executives, soma promotions from within Rover and a finance director head-hunted from Chloride, Mr Day has moved with a small team the group's headquarters. has moved with a small team from the group's headquarters in Uxbridge to offices near Victoria in central London. The two key Austin Rover eppointments—Mr Les Wharton as managing director and Mr Chris Woodwark as commercial director—were both made from Leyland. Trucks and are Leyland Trucks and are designed, in Mr Day's words, to bring "more commo punch" to Austin Rover.

Mr Day insists that Rover's problems are no longer industrial relations, productivity, investment, design or manufac-turing technology, or even new models—but profitability and customer satisfaction.

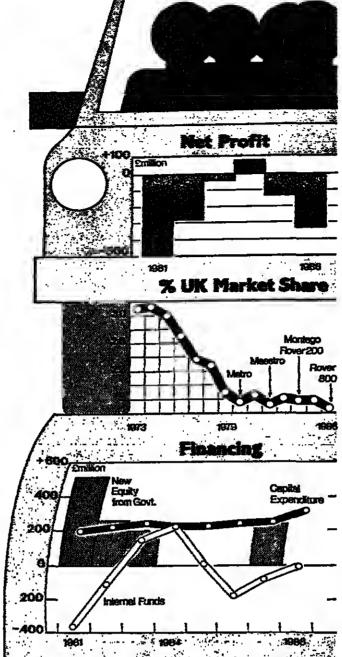
"My task is to introduce the business and profit dimension on top of the advances which have already been made in other areas," he says. If there is a modal it is, pernaps, Marks and Spencer, whose skilfully managed links with customers and suppliers Mr Day much

But these changes have been occurring against a deteriorating financial and commercial background. For the six months to June this year, Rover's turnover fell marginally to £1.1bn but the pre-tax loss jumped from £42.6m to £118.9m

According to an analysis by the DRI forecasting group in conjunction with the Motor Industry Research Unit at the University of East Anglia, Rover will need £250m during 1987 to add to the £2bn of state aid received since 1975. The Government has hinted that it will provide some cash, probably in the form of another equity injection. The main cause of the finan-

cial problems has been Rover's weakening hold on the UK car market. Although the November market share-aggravated by the uncertainties caused by Mr Day's management changes —was untypically poor, the 18
per cent year-end tally compares with 18 per cent in 1985.
UK nuit sales this year will be down from 324,000 in 1985 to about 296,000.

Against this, Mr Day does have some positive factors to report. The company has had its best year since 1979 in continental markets, thanks to the effort made to strengthen the dealer network there and the availability of new models.



The new Rover 800, developed jointly with Honda, has been given an enthusiastic reception by the 150 dealers who will sell it in the US next year. The US import company, 49 per cent owned by Royer, reckons it will sell 27,500 of the high-value Rover Sterling models in 1987 then 50,000 the following year. Not only will this give Austin Rover badly needed extra volume, it should be highly

Austin Rover will also benefit from the weakness of So where does Mr Day go the pound. This both creates from here? He has caused conmore room for Rover to manoeuvre in export markets and puts pressure on its com-petitors in the UK market — Ford and General Motors-Vauxhall still bring in many cars from their continental

But not one of Austin Rover's current models, not even the best-selling little Metro, has

lived up to expectations. The disappointment been the Montego which was to have spearbeaded company's efforts in the vital company fleet sector, which accounts for more than 40 per cent of new car sales in the UK. The Montego, seen as a rival to the Ford Sierra and the Vanxball Cavalier, suffered early quality problems which frightened off the fleets and the

So where does Mr Day go cern among his dealers and Rover's image?

range up-market.

If Mr Day followed such a

developed jointly with Honda to replace the Maestro and Rover 200 series late in 1939, would be a sporty, high-performance car, says Dr.

Dabysing.

However, as be points out, this policy would inevitably result in the closure of a car plant, possibly South Works, Cowley, and could pose a threat to Austin Rover's 1,400 dealers and the supply industry because the company'a annual car production—465,000 last year—would fall to between 215,000 and 300,000.

The Government, with an eye on marginal Conservative seats in the Midlands, seems to have ruled ont this option.

Mr Paul Channon, the Industry Secretary, told the Commons recently: "In respect of Austin Rover, I should like to take this opportunity to emphasise that I expect Mr Day's (corporate) plan to set out a positive course for the continuation of the company as a major producer and leading exporter of cars made in Britain."

Professor Rhys believes Mr Day will want to implement the policy previously outlined for Austin Rover by Sir Michael Edwardes (chairman from 1974 to 1977) but so far never put into proper effect: to put extra value into every car huilt to make it different enough to fit a niche in the market and so attract a premium price.

In the past Sir Michael's concept was overshadowed by more immediate needs as Austin Rover concentrated on renewing its entira model range, from the smalles to the largest, in only six years. At the same time the management team was having to rationalise production facilities, improve the UK dealer net-work and prepare the way for a hoped-for sales revival in continental markets,

It is open to some doubt whether Mr Day has the time or the products to put the Edwardes concept into effect.

Apart from the hatchback version of the new Rover—to be called the Rover 600—due next year, Austin Rover has nothing in the way of new models until the end of the

the way they are advertised and promoted may not take long, but would that truly be sufficient to re-establish Austin

suppliers by revealing that he is rebuilding from the ground Michael's policy was for Austin up" the product development Rover to share costs by co-The second plank in Sir

the Japanese company will sell the cars through its ewa UK

That would concentrate effort on the new Rover 800 series, to give Austin Rover an executive-prestige image on the continent as well as in the US.

The AR8, the model being developed jointly with Honda to replace the Manual of the cars of the unofficial agreement which limits imports of the property of the unofficial agreement which limits imports of the cars to the unofficial agreement of the cars to the unofficial agreement of the cars will be high enough for theme are counted as part of the unofficial agreement.

It is widely rumoured that the Government would like this production deal—which starts with Austin Rover producing about 4,000 cars a year—to be greatly enlarged to help fill the UK company's capacity, now ebout 750,000.

Government officials also suggest Mr Day would like to cement the relationship between the companies by Honda acquiring up to 20 per cent of Austin

ing up to 20 per cent of Austin Rover, after the UK company's balance sheet was suitably cleaned up. However, this pressure comes

at an embarrassing time for Honda, which this year will suffer a substantial decline in earnings because of the rise in

The only assumption which can be made with any confidence

the value of the yen against the dollar-it sells more cars in the US than in Japan.

Honda's top management is thought to be divided about an equity link with Rover; those opposed argue that Honda already seems to be getting aid its wants from the Austin Rover association without any share-

holding.
In the short parliamentary debate on Rover at the begin-ning of this month, however, Mr Channon carefully avoided saying anything which might be construed later as a denial when asked about the possi-hility of Honda taking over

Austin Rover. Mr Channon went out of his way to stress, however: "The Government's aim is to secure the best possible future for Austin Rover, its suppliers and the motor industry generally in this country."

These words of comfort were

a far cry from the disparating remarks made by Mrs Thatcher and some members of her Cabinet during the acrimonious dehate about the future of Rover at the beginning of this Altering the specifications of was forced to back away from current models to make them talks which might have resulted more distinctive and changing in Austin Rover being bought

There seems little prospect of those talks being renewed. As Prof Krish Bhaskar, who heads the Motor Industry Research Unit at the University of East Anglia, suggests: "It is more likely that Mr Day will want to be able to demonstrate programme for Austin Rover.

DRI's eutomotive services importantly in association with suggests that Mr Day's preferred option for Austin Rover involves scaling down output started assembling Honda while moving the car model Rover to share costs by comore likely that Mr Day will more likely that Mr Day will want to be able to demonstrate bis ability and flair by turning Austin Rover round." That is probably the only assumption about Mr Day's new plan which can be made with any confidence.

Science in the dock

Richard Owen, managing part-ner of Touche Ross Management Consultants, is taking on two new, and wildly different, jobs. He is the new chairman of the Management Consultancies Association, representing the 30 leading consultancies prac-tising in Britain.

And as "something com-pletely different" he is heading a Home Office-backed review of scientific support for the British police forces (outside the London Metropolitan police) which must report by early next

summer.

The British forensic service, which used to be acknowledged the best in the world, has been running into difficulties. It employs some 500 people on the scientific sida, and as many again on the fingerpriting service. The Home Office, and the 43 chient police forces have started asking whether they are getting proper value for money from the seven provincial forensic laboratories in the service.

Owen says his job is to conduct nothing short of a "fundamental review." In that pros-



Men and Matters

pect he has the hlessing of both the Government and the Asso-ciation of Chief Police Officers. His review team will be ecu-His review team will be ecumenical in its make-up, consisting of three senior policemen and three leading forensic sciantists, together with two Touche Ross consultants.

The police are laying more weight than ever hefore on the usefulness of forensic methods. Owen explains it thus: "Police chiafs say they would rather have one more forensic scientist than two more policemen."

Home run

The appointement of Christo-pher Kemball as joint managing director of Dillon Read Ltd, UK affiliate of the US invest-ment bank, brings back to London another British high-fier on tha New York financial

Kemball, also named a man-aging director of the parent company, will run Dillon Read Ltd in tandem with Lorenzo Weisman, its incumbent American managing director. The UK company, owned jointly with Societa Generale de Belgique, has a strong place in European corporate finance, concentrating on transatiantic deals The aim is to build up its

currently modest role in the UK. The expertise of the US parent in leveraged buyout funding, through its Saratoga Fund, is already bearing iruit in Britain where Dillon is joining with Charterbosse Group. ing with Charterhouse Group to raise £100m for leveraged huyout ventures.

Kemball'a return may cause soma officials at the Treasury

to ruh their shins ruefully. For, in his previous joh in New York as vice-chairman of Kleinwort Benson's US operations, he kicked angrily against tha chancellor of the Exchequer's Budget proposal to introduce a 5 per cent levy on UK shares American special tea containing honey

Fairy potions Scientists who have been enter-

ing into the spirit of the season hy reading fairy tales have discovered enough exotic chemicals to start a branch of

Boots,
A "Ferie Pharmacopoeia'

Boots.

A "Ferie Pharmacopoeia" published hy The Pharmaceutical Journal, and tha work of doctors Peter and John Gwilt, catalogues 24 substances with uses ranging from love potionsto fairy repellents.

Fairies, it appears, work their spells mainly through food and drink. Accepting their hospitality is usually disastrous for mortals. Rip van Winkle, plied with liquor in the Catskills, slept for 20 years, a warning of the dangers of accepting too much hospitality. much hospitality.

Even meeting fairies is said to be risky. It can precipitate such troubles as elf-lock—when one's hair mats into a tangle. Our scientists report that this distressing condition can be caused by Cardons Bendictors. cured by Carduus Benedictus-better known as thistle seeds. There are other antidotes for fairy pharmacological tricks causing itches, stitches, and cramps. St John's wort is re-commended. But verbana and ground try are said to be efficacions too.

The arch tellers of fairy tales, the Brothers Grimm, preferred violence to the subtlety of chemistry, however. Our re-searchers found that poisoning

occurs in only two of their tales — although in one case the poison did get into a stew and slaughterad 14. A firm that thinks fairy tales might help sell its herbal taas sent me tea bags for Christmas. If all else fails you might try a lotus which, it claims "strengthens the memory and comforts the head and hrain."

TV game

Patrick Whitten, managing director of CIT Research, has a blt of a reputation as a Jeremiah in the new media of cable and satellite television.
Whitten charges the optimists
of the new industry quite sizable amounts of money for erudite studies which tend to prove that it will take much longer than they think to break

even.

This month, for instance, he warned the winners of Britain's DBS (direct hroadcasting by satellite) franchise that if things go just a little awry, the deficit could easily mount to £1bn. It is a forecast that must give BSB (British Satellite Broadcasting), in which Pearson, publisher of the FT has a staka, pause for thought.

But Whitten has a sense of humour. And to give all the satellite entrepreneurs something to stop them hiting their nails over Christmas, he has devised the Great Satellite Game which be has sent to just about everybody in the about everybody in industry.

The hazards of establishing satellite television are well represented. If you throw a six you land on: "EEC sets ur satellite task force—ahandor game." Or you can run into "Cahle

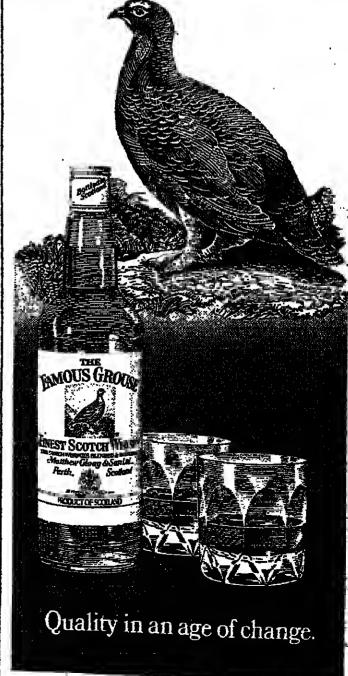
Or you can run into "Cahl'
Anthority approves your nlan:
—go back 10 spaces." Or later
"The BBC joins DBS venture
miss five turns and pay \$100m
in legal fees or go to jail."
Whitten's game ends on a
square proclaiming: "CIT square proclaiming: "CIT optimistic on DBS — End Game It's been going on too long."

For BSB, the end game is still four years and £500m

Advice note

Stockbroker to doctor: "Doc tor, I've got a temperature o'
102. What should I do?"
Doctor: "I don't think its
serious. But if it goes up to
105, sell."

Observer



Tuesday December 21 kg

i Such a the Japanese of the control of the care through the control of the care through the care through the control of the care through the care through the care to be shift the control of the control of the control of the care through the control of the care through the control of the care through the care t

To respect The only which can be t with any confe d leteral the value of the read of the r

and so association without & holding.
Lin the short pro-Austin Royer

Austin Royers & Ming of this month is common carefully and in only consurred later estimated the marking when asked about to both of Honda in Austin Royer. or fac: .. Austin Royer. Mr Casmon was R. 10年,6世 五度計 Solvernment's aim & a. best possible to The South Austen Rover, its said To 27 the motor maining the e Syca These words of outa fas cry from the de-North 10 Company made by Mag. commende inches Capital during the me come detaile about the be Rover at the beginning

taks which might hee Austin Rorer keeps by Ford There seems little As Pro: Knab Blade Service the Motor E er Verter er Eist Angle, mys The likely that Why want to be able to ser Fore Line May Day's new feb. Mittal van be made wit mit: The same of the court.

Letters to the Editor

Politicians, employment, nerve and bold initiatives

Sir,-Michael Prowse made a good point (December 12) about politicians losing their nerve, finding themselves unable to propose and carry through the sort of bold inliatives necessary to reduce the seemingly intractable and appalling dole queues in Europe; but surely he is wrong to infer that Mrs Thatcher's Covernment has

lacked the courage to act on new ideas. I must take issue with his suggestion that some rehash of yesteryears bold failures, namely Government's controls on wages (and then inevitably, though not mentioned, prices, rents, etc) would rectify the

From Mr R. Hammond- situation for it would merely when controls were introduced many people and unemployment Chambers be treating the symptoms, not in Britain by Harold Wilson's results while it happens. be treating the symptoms, not in Britain by Harold Wilson's the causes of the problem. Just as democracy is the least bad of all political systems, so private markets are the least 12 months of the problem of the problem. So the proximately 1.2m (a four fold increase) when imperiect of all systems that allocate economic resources. Just as there are serious consequeoces of forsaking democresults of government inter-ference in the sconomy; most importantly we are suffering the worst of them at present — the

both in Britain and in Europe, stems from a number of events from the past, the most signi-ficant of which has been price and wage controls. From 1966,

From Sir Henry Plumb, MEP
Sir,—Your excellent editorial
(December 17) on CAP reform
correctly analyses the various
pressures that have been
brought to bear on the council,
resulting in the historic reform
dency was in difficulties over

package in the dairy and beef The European Partisment's in-fluence for reform of this type has in the past been, as you

rightly point out, erratic.

Last year for the first time, the Parliament's report on the farm prices showed not that the long demination of the "farm lobby " was over, but that the criticism. The British Government lobby itself had become convinced of the need for servative pressure in the curvative pressure in the control of the point of the control of the contr

radical reform.

Conservatives in the Euro-buted substantially to this auc

Agricultural reform in the EEC dency was in difficulties over allegations that the London

mit agends had been "fixed" for agreements. Mrs Thatcher was particularly criticised in the domestic and Continental press,

pean Parisament have played a coss. crucial role in this process ever (Sir) Henry Plumb. since 1979, and I might modestly 2 Queen Aune's Gate, SW1

Market for opposed takeovers Sir,—Mr Edgar Palamoun-tain's distribe (December 16) more than a few successful against all contested takeovers opposed takeovers both here makes for rathor odd reading. and in the United States, has al-He seems anxious to prevent the small investors, whom he claims to represent, from getting the best price for their shares. Having permaded them of the advantages of investing in the equity market he now suggests they should be locked into those companies whose managements fail to perform. Such investors would be enable, if they wished, to sell to another company that believed it could do better with the busi-ness in question if that busi-ness's management would not

The market for opposed take-overs is much about which management team should manage a company's resources. Why should competition in this field, of all fields, be restricted. Such offers give the opportunity for corporate assets to move more quickly to their most valued Hanson Trust.
use: surely a worthwhile 180, Brompton Road, SW3.

objective. Hanson Trust itself has made ways encouraged the small investor and has from its very beginning sought to ensure that managers (who are left alone to run their companies) become, wherever possible, shareholders so that they might make their husiness decisions with the shareholder very much in

A shareholdor who invested £100 in Hanson Trust in 1964. took up rights over 22 years costing £8,900, today has an investment worth some £70,000. We now have 165,000 shareholders, more than 10 times the number in 1978, since when earnings per share have in-creased more than eight times. Hanson Trust, for one, does not believe that either its small or large investors have been

Martin G. Taylor,

Keep Private Eye going

From the Chairman,
Prowting Holdings.

Sir,—John Lloyd's excellent article (December IS) makes one wondor if the outcome of the Maxwell case against Private Eyo is a lesson from heaven or a bell from hell. I have a great deal of sympathy for those from all walks of life whose names appear in the Eye, will be able to regain some of its former vigour which certainly would not he case whose names appear in the Eye, if the news and gossip is toned for this reason alone I hope the Eye will be able to regain some of its former vigour which certainly would not he case if the news and gossip is toned down as he suggests. Subject to outiots remaining unblocked future elrculation will no doubt 240,000 breaks down but from those in industry that I have talked to in the past most of them seem to like to read the Eye because there is no amoke

Mercantilism, aid and mixed credits

From the Director, Export Group for the Constructional Industries

Sir,-There are a remarkable number of errors in Christian Tylor's piece about aid and mixed credits, starting with the headline "Mercantilism costs money" (December 15), a statement about which I am sure the world's most successful mer-cantilists, the Japanese, would be giad to learn more as the

by the group of civil service economists under the chairmanship of Ian Byatt of the
Treasury is that far from the
report being a "demolition
joh" it was the report itself
which was demolished; their
"alarming cost calculations" in Britain) and are the people
were shown to be based on the
usual kind of unsubstantiated
assumptions which we are
accustomed to hear about from
perhaps too simple for the fancy
the Treasury, rather than on
intelligence in contracts for large
projects in third countries, since
they have endless amounts of
money to spend in aid, loans
and investment (topped up by
UK contributions to persuade
them to huild motor-car factories
in Britain) and are the people
able to got very grest leverage
out of the present system.

The reality is very simple,
perhaps too simple for the fancy
intelligence in contracts for large
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and investment (topped up by
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them to huild motor-car factories
in Britain) and are the people
able to got very grest leverage
out of the present system. by the group of civil service economists under the chalmanassumptions which we are accustomed to hear about from the Treasury, rather than on empirical data. There was also a fair mixture of polemic, typined by describing aid to devoloping countries as "subsidies to exporters," or in Christian Tyler's words "hand-outs."

The reality is very simple, perhaps too simplo for the fancy intellectualism of some economists. The countries of the perhaps too simplo for the fancy intellectualism of some economists. The countries of the perhaps too simplo for the fancy intellectualism of some economists. The countries of the perhaps too simplo for the fancy intellectualism of some economists. The countries of the perhaps too simplo for the fancy intellectualism of some economists. The countries of the fancy intellectualism of some economists. The countries of the fancy intellectualism of some economists. The countries of the developed of said to enable them to bring their economics within all the countries of the fancy intellectualism of some economists. The countries of the devoloping countries as "subside the countries of the devoloping their economics within all the countries of the devoloping countries as "subside the countries of the perhaps too simple for the fancy simple, and the countries of the countries of the devoloping countries as "subside the countries of the countries are considered to the countries of the countries

rectly, the Japanese are signifi-cant contributors to the Trade Policy Research Centre which

or the British motor-car industry from a generous and avowedly non - mercantilist British Government, which if past form is anything to go by will probably pay them to take it.

The reason that the Government (fortunately for us all) has not adopted policies based upon the new almost forgotten report by the group of civil service economists under the first and the contractors. This makes the sum of the contractors are tied up in dealing with end-less input to challenge the less input to contract a supply together.

The reason that the Government (fortunately for us all) has not adopted policies based upon the group of civil service economists under the first part of the group of civil service economists under the first past form the properties and the past form is anything to go by will probably pay them to take the seconomist of infrastructural works in our own countries, largely due to the activities of another bunch of economists, they are not over-employed. It would be sensible to put demand and potential supply together.

Developing countries are not only denied what they need, but it their own relatively scarce economists and technologists are tied up in dealing with end-less input to the activities of another bunch of economists, they are not over-employed. It would be sensible to put demand and potential supply together.

Developing countries are not only denied to put demand and potential supply together.

Developing countries are not the contractors. This makes are tied up in demand and potential supply together.

Developing countries are not the properties of the activities of another bunch of economists in our own countries, largely due to the activities of another bunch of economists. It would be sensible to put demand and potential supply together.

Developing countries are not the properties are not only denied to put the form of the activities of another bunch of economists in our own countries. It is a strain the potential supply together.

outs."

The fact that some French economist has found in French aid polley something contentious a willingness to belp, but

more economic advisers like a hole in the head, and what they note in the head, and what they
need are engineers and managers. Britain (and other developed countries) has such
people, and since we cannot As for the discussion at the even work out the economic Organisation for Economic Co-value of infrastructural works

Developing countries are not only denied what they need, but their own relatively scarce economists and technologists are tied up in dealing with endless inquiries and contacts from some donors. At the end of the day many if not most of the cr nomic assessments made by the people who eall themselves development sconomists are worthless, as a close study of the literature will show. Relative the literature will show. Relatively crude jndgments by skilled people can establish a ranking order for projects which is perfectly usable if not interfored with too much by geometrical or accordance for the political or sociological (not to say nakadly political) intorven-tions. The Dutch are the latest country to turn down the wick on foasibility studies and con-

of jobs and in revenue due to the resulting increase in GNP. aid polley something contentious a wittingness to be something contentious as wittingness to write about changes nothing; Britain is a poor contributor This does not require any knowit is hard to specific to write about changes nothing; Britain is a poor contributor This does not require any knowto write about changes nothing; Britain is a poor contributor This does not require any knowto stand to specific to t anyone less competent to pro- and (hecause of a slow growth of arithmetic. There are several nounce upon whether the in our GNP) in absolute terms, such studies around associate "the in our GNP) in absolute terms, such studies around, ranging 15-17 King Street, SW1.

wrong industries were exporting the wrong products to the wrong markets" than a professor of economics, unless it were a civil servant or a politician. Developing countries need to have things done in their countries in the argument is diverted on to supposed interactions in the economy lancidentally, if I remember correctivities. On the whole they need more economic advisers like a been challenged, but the argument is diverted on to supposed interactions in the economy based upon the same kind of assumptions (but dignified and mystified by being incorporated into the inner abscurities of equations in the Treasury Model) as underlay Ian Byatt's committee's paper. Then after a decent lapse of time someone is found to start up the whole argument again as if nothing had happened.

The Government must be given credit for having dealt with some aspects of the anti-competitive environment facing

competitive environment facing British contractors, notably in British contractors, notably in introducing a soft loan facility and having permitted a useful degree of fiexibility in the management of the ald and trade (ATP) hudget this year. The signing of a co-financing framework agreement with the World Bank may also be very helpful in concentrating British expertise as well as British expertise as well as British helpful in concentrating British expertise as well as British money in ways which are most productive, but this will depend upon the management of the agreement on the British side. The fact that many people think that there is a great deal more which they could do does not coalify our thanks that they qualify our thanks that they have looked at the realities and have done what they have.

I doubt if the French are on foasibility studies and con-centrate upon real works.

What esn be exclusted is the value of aid-supported business Meanwhile, the great mercanto the donor country in terms tilists, the Japanese, will continue to see that all trade rules are designed to suit them, and it is hard to spot anyone likely

UK HOUSE PRICES

Sending the wrong signals

house prices and wage inflation have focused mainly on the policy implications. One premise in my argument was that wages would perform their allocative deflation to a more sensible function more efficiently and structure of prices. He is with less inflation if lower relative house prices and higher recent first time buyers would average vacancy rates for rested do better under this proposal and owner-occupied accommoda-tion could be induced in areas of premise was that lower average house prices would slow wase inflation and curb the consumer

number of new productive jobs being created and unemploy-ment will begin to fall. Again sadly, the cure is painful but it is the sound approach to pro-ducing high levels of long term I am surprised that not one correspondent has mentioned the first of my two altorustive suggestions for the tax reform employment. It took great courage of Mrs To Government to start down this road and at the time was considered, at the of owner occupation: the intro-duction of a tax on imputed very least, a bold course of action because of the interrent. More on that later, My erities concentrate their concern on the second reform possibility, the phasing out of mortgage interest tax reilef. Their most important criticism is that this could have the correction of the mediate consequences.

R. Hammond-Chambers. 1 Gorlotta Square, Edinburgh could have the opposite of the intended effect on regional house price differentials, since the £30,000 limit on mortgage interest tax relief represents a

In time, sadly a quite exten-ded period of time because of

the time controls were in force,

the unemploying of uneconomi-cal jobs will fall below the

civilised surroundings.
Third, staff. Encountering
Saturday staff is in itself a
disincentive to shop. When I

protested to the manager of a

well-known, and up-market, men's outfitter that I had

received poor service from a Saturday "essual" I was told that his experienced staff do not work at weekends, because

ton do full simulator training and testing in which their ability to cope with a wide range of conditions fed into the

simulator is assessed. On aver-

knowledge on how to deal with

age, the control room



Reindeer delivery service

Tom Dr R. Brown Sir,-Michael Prowse (" Rein-leer shortage in Oxford Street," December 18) could hardly have got it more right. There are three further points he could have mentioned. The first is opening hours or, rathor, "closing hours" not only on Sunday (bad enough) hut during the week. Late shopping until 7 or 8 is almost as gruesome as the Christmas rush.

(a four fold increase) when

they were finally removed by

Mrs Thatcher's Government during its first year of office. There is no question of doubt but that increasing competition.

has brought about a much needed increase in the work

ethic and efficiency of the British productive economy and

the consequence has been the

loss of hundreds of thousands

of politically induced but pri-

economical jobs. The process of producing an economic turn-round for Britain necessarily

so many come to look rather than to buy. The thought that this might be an opportunity to sell things had evidently not why do the stores not open at, say, 10 and go on to 9, with the staff working in two shifts?

The second is refreshments. occurred to him.
I cannot understand why Apart from stores' own facili-ties (usually mobbed) and pubs ties (usually mobbed) and pubs Britain is said to have an (generally dreary and limited efficient retail sector, even when open), there is a (Dr) R, J. Brown. paucity of places to have a light 115 Askley Gardens, SWL

Nuclear power simulators

for our new AGR station now being completed at Torness in From the Public Relations Officer, South of Scotland Electricity A minimum of four times a

Sir.—Mr G A H Watts year the AGR staff at Hunters (December 18) is quite correct ton do full simulator training in his suggestion that the and testing in which their "watch-keepers" on nucleur power stations should undergo esting and training on simulators in the same way as pilots of Boeing 747 and other aircraft. He says that it is only by repeated training and testage, the control room "deskdrivers" spend about 60 hours
a year on the simulator—
probably a lot longer than the
Boeing pilots in whom My
Watts has such confidence.
During that time the operators
are not only refreshing their ing of nuclear station operano emergency can occur which cannot immediately be coped

with.

It is for that reason that the South of Scotland Electricity how to improve reactor per-Board has for some years now heen operating a highly sophisticated £4m computer-controlled simulator for our Advanced Gas-cooled Reactor power station at Hunterston in Avranius and it is for that James McGuire. Ayrahire and it is for that James McGuire, reason that we have built an Cothcort House, equally sophisticated simulator Spean Street, Glasgow.

No need to leave the country

shop one has to have an airlino Old Vicarage, ticket. Having done so, how Lewknor, Oxfordshire.

From Mr P. Ellerton

Sir,—Mr J. Paton (December through the inboard customs 18) is only half right. It is true and passport control and use that to enter the departure one's ticket on another occasion. Iounge and use the duty-free P. M. K. Ellerton.

ficient to burst the house price bubble in London and the south east and allow at least a small than under a blanket phasing out, even if done very gradually, high labour demand. The other of all mortgage interest tax

It is possible that even such ances now prevailing also tend reduced in compensation a mild reform would be suf- to make the plough-back option. One important object to make the plough-back option less favourable. That is why serious attention should be focused on the first

of my reform proposals; to introduce a tax on the imputed rent on houses while maintaining some system of mortgage interest tax relief. It is quite unambiguous in its effect on regional house price differentials. It would provide a perrelief.

However, in the longer term.

I do not think the Keating destery the incentive to relored goes far enough. In cate that wage changes can

John Muelibauer's article "How house prices fuel wage rises," which appeared on October 23, has

Here he responds to some of the points raised in the ensuring debate.

provoked heavy correspondence.

smaller proportion of the price of a house in London and the south east than in the cheaper regions.

However, it is plausible that other macroeconomic problems it is the obsolute, not the proportional effect that matters. I boom which tax reform would idition to the inflation and provide. boom which tax reform would do much to correct, there are serious micro-economic ineffiportional effect that matters. I still believe that house prices in London and the south east would fall by larger absolute amounts and probably by bigger proportions. My reasons are as follows: the speculative bubble has been most inflated in London and the south east and pricking it should therefore load to the higgest falls there; the proportion of the stock of ciencies caused by the current tax code as it affects owner occupation. It almost certainly leads to an inefficient use of the current bousing stock with endemic under-prepnation. This problem is particularly acute among older couples and those whose children have departed, the proportion of the stock of mortgages below £30,000 is much higher in the chesper regions; higher rate taxpayers but who do not move to more appropriate accommodation because the real economic return on staying is so high — and do tiese disproportionately, and these are more likely to be found living in expensive houses and regions. not rent out any of their space because of the current tenancy

bouses and regions.

There are policies which focus more sharply on regional average vacancy rates for rented differentials. Giles Keating is surely correct to abserve that the elimination of mortgage interest tax relief for higher rate taxpayers with a compensating reduction in higher tax The distorting effect on other economic decisions is surely important too. At the margin, a small entrepreneur deciding whether to plough £100,000 back into the husiness or to move npmarket to a more expensive sating reduction in higher tax house compares the prospective rates would be wholly unambiguous in narrowing regional house price differentials.

The less generous depreciation allow-

It is also less distortionary, as John Kay and Mervyn King argue, in that houses would then be treated more like other assets. But this would be accomplished without losing a good feature of the current system, which is that the effective rates of interest on borrowing (dominated by mortgage borrowing) and on lending are similar. This similarity avoids distorting savings and investment decisions.

The tax I have In mind can be made relatively simple ad-ministratively, and ovoids many of the objections to the current system of local suthority rates as well as to the old "Schedule A" tax on imputed rent abolished in 1982. Indeed, it would offer the opportunity to reform at the same time tho present system of local authority finance. I propose that im-puted rent be proportional to the current market value of the house (or houses) owned, Imputed rent would simply be added to earned income as part

One important objection to the existing local anthority rates arises because of the different rate per pound charged by different authorities. This, it is widely believed, has perverse consequences for economic loca-tion decisions and contributes regions and localities. Another objection to rates and to the old Schedule A" is that rateshlo values involve too large an arbitrary element, in part, because

properties are valued. To get away from these defects, it would be better to base house valuations on historical purchase prices, repriced using the Department of the Environment's mix-adjusted regional house price indices, available back to 1968. For the available back to 1968. For the now small proportion of properties that could not be valoed in this way and to advise on valuation appeals, the Inland Revenno would consult existing district valuers.

There are other policies that would help to loosen the restrictions which our ill-functioning housing market is now imposing on the labour market and the rest of the economy. One is tha (to me unthinkable) proposal to abandon the British system of green belts and planning controls. Among the milder policies on offer is to increase subsidies to housing associa-tions to provide sheltered ac-commodation for old people. This would release family accommodation that could house many economically active

people.

Finally, I must make it clear. thot I am not denying that regional house price differentials have a positive role in ereating an incentive for employers to locate in less pros-perous localities. But so long as experience supports the cur-rent expectation that house price difforentials will widen further, it is very hard to per-suado staff to relocate in this

direction The expectation of some narrowing of regional house price differentials should have a strongly beneficial effoct on regional location. A less distorted tax systom would allow both housing and labour mar-kets to fulfil their allocative such tax on housing. The less of total taxable income overall generous depreciation allow- tax rates would, of course, be

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FINANCIALTIMES

Tuesday December 23 1986

Cigarette

prices cut

as cheap

imports rise

TWO OF Britain's biggest cigarette companies have cut the prices of their leading brands by up to 5p a pack in an attempt to push up vol-ume sales and limit losses of mar-

ket share to cheap imports and

The tobacco industry is suffering

an unprecedented squeeze, trapped between the UK Chancellor's de-

mands for tax revenue, the forceful anti-smoking lobby, and imports of cheap brands and own-label ciga-rettes mainly from West Germany. According to the industry-funded

Tobacco Advisory Council, the flood

of cheap cigarettes from West Germany and elsewhere in Europe has raised imports' share of the UK market from 0.5 per cent in 1983 to

been launched in the last three

This has led to a 16 per cent re-

in UK

own-label brands.



PROSPECT OF HIGH YIELDS SPARKS GROWING TASTE FOR REAL ESTATE

Japanese yen for US property

understood the incessant demands from US trade officials in recent months that they increase their imports. These days it seems that in-stead of buying American, the Japanese are buying America.

In the past two weeks alone, Japanese property companies have cut the price of all US goods by committed themselves to more than a more than a third for the Japanese \$2bn worth of purchases in the US, including a \$1.2bn housing and re-creational development in Califor-nia planned by Mitsubishi Estate,

Japan's largest property company.
Other recent deals include the purchase by Hawegawa Komuten, a condominium builder in Japan, of a 12-storey office building adjacent to Los Angeles Airport, for \$30m, and the acquisition by Orient Finance, a consumer credit company of a 22consumer credit company, of a 22-storey office building in the Crocker

Center in San Francisco, for \$75.3m. According to the US Department of Commerce, the Japanese have already surpassed the British as the largest foreign investors in US real estate. Their total purchases this year may reach \$6bn, more than treble last year's \$1.6bn. Moreover, if present exchange and interest rate trends cootinue, the volume of Japanese buying is likely to go on

PERHAPS the Japanese have mis-tunities for investment in Japan. US real estate, meanwhile, has two irresistable attractions.

It is cheep. Prices have been depressed, especially in the office sector, because of overbuilding. The shump of the dollar against the yen in the last 15 months has effectively cut the price of all US goods by

US real estate almost invariably promises a higher yield to the Japa-nese investor than he could obtain on comparable quality investments

Mr Shoichi Kato, president of Kato Kagaku, a Nagoya glucose mak-er, says that the yield on a building in Tokyo's glamorous Ginza district would be between 2 and 3 per cent today. By contrast, be expects to ob-tain between 5 and 8 per cent on the Manhattan building Kato has just bought for \$310m.

The Kato purchase shows that this has become a sport that all can play. Kato's main business is making glucose for beer and soft drinks, but the family-owned company has invested its profits in hotels, a bowling alley and now a US office build-

Individuals, too, are getting into the act. Newspaper and magazine



tion of the price of a rabbit hutch in

erty investors in the US is Shuwa stment, a family-owned company that has made two spectace purchases this year, of the Arco Plaza in Los Angeles, for \$620m, and the American Broadcasting Companys' headquarters in New York, for \$174.2m.

Shuwa's president, Mr Shigeru Kobayashi, said in October that the Japanese institutional investors advertisements tantalise people and property companies are flush daily with the prospect of spacious with cash, but have few good oppor- condominiums in Hawaii for a frac-

proach - buying existing buildings --is the preferred route for most Jap-anese investors. They would rather start earning their yields immediately than risk an adverse move-ment in exchange rates which could reduce the hoped-for return on a totally new development. However, Mitsubishi Estate had

no such inhibitions when it launched an ambitious \$1.2bn housing and resort development near Palm Springs, California, last week. The company said it preferred to invest in balanced developments rather than in existing buildings. Similarly, Mitsui Real Estate, which two weeks ago bought the Exxon build-ing in New York for \$610m, also ught a 1.4m sq m site in San Diego County in September to develop into an industrial estate.

Mitsubishi Estate and others would rather do balanced property developments in Japan, where demand and prices are surging. Several huge development projects in the Tokyo area are awaiting local and national Government approval. But the authorities are cautious because transport services and other infrastructures are already over-

There will be a development boom in Japan sooner or later. Until then, it is difficult to see what will stop the flow of funds into US prop-

duction in the number of cigarettes made in Britain, the loss of six factories and 6,000 jobs, the council told the Chancellor in a submission published last week. On the other hand, there is a **European Commission considers**

clutch of small, independent British companies which is competing successfully with low-price imports.

The surprise reductions – manufacturers usually increase prices every January - began last Thursday with Philip Morris, the US-owned

manufacturer, lopping 5p off the prices of its Mariboro range. Only retailers were told of the cuts. The recommended retail price of best-seller Marlboro King Size has come down to £1.45p (\$2.07) a pack Marlboro Lights, introduced earlier this year, now cost ELAO. The com-pany's Raffles brand is 4p cheaper

at £1,40p. "It is a difficult market, and we are all having to work damned hard," said Mr George Mackin, Philip Morris sales director. "We are having to reduce our margins and if necessary find savings inside our

own organisation." Imperial Tobacco, part of Hanson rust, has followed quickly with the "relaunch" yesterday of its John Player Special brand in a glossier pack at £1.45p – 5p cheaper than be-fore. It is also marketing a new extra-long JPS cigarette at £1.47p.

The company said yesterday that it expected more price competition It had relaunched JPS, fifth big-

gest selling brand in the UK, "to ap-

peal to the cost-consciousness" of the British smoker. It already has a presence at the lower end of the market with the Lambert & Butler brand, which has a recommended retail price of £1.32p. Since trade margins will be main-tained, retailers, already well-en-trenched in a price war of their

own, are expected to reduce selling prices further. Premium branded cigarettes now selling at about £1.47p a pack may come down to Rothman's executives were meet-

ing yesterday to discuss pricing tac-tics for their range, which includes Rothman's King Size, currently £1.50p a pack, and Dunhill and Peter Stuyvesant, both priced at £1.48p. Similar reduction are likely. Gallaher, manufacturer of Benson & Hedges and Silk Cut, is also expected to follow suit, although the company refused to comment yesterday.

Unfavourable exchange rates have forced some importers to increase prices. Red Band, a popular West German import distributed by Nurdin & Peacock, went up 2p a pack last week to £1.23p.

At present, duty and value-added tax account for £1.12p of the price of a pack of UK-made cigarettes selling at £1.50 and £1.02p on comparable imports.

Although the number of smokers in the UK is more or less steady at around 18m, people are smoking

Sterling gains after oil pact Continued from Page 1

ket response to pre-Christmas le-

thargy.

There was also caution about pushing sterling too high ahead of today's balance of payments figures. They are expected to show a deficit of between £800m and £15m on trade compared with £835m in October. Buoyant invisible earnings should leave the current account in balance, or even with a small sur-plus. Nevertheless, the market re-

Another dampener on enthu-siasm was sterling's failure to break above a key chart point at \$1.4450, despite the weakness of the THE LEX COLUMN

Seeing is believing

Markets are not known for loy-alty. So it is almost touching the way in which they continue to be-lieve in the oil pricing power of Opec, despite all the evidence of the past few years. Opec has declared that \$18 shall be the new price, and within hours, Brent actually praches \$18 a barrel - a 23 research reaches \$18 a barrel - a 23 per cent rise on the price at the beginning of

tial pricing announced on Saturday was rushed through in one sitting and agreed to keep the Saudis - and in particular King Fahd - quiet. The differentials between crude streams are always changing, and the attempt to east them in stone merely ensures that, when they are out of line with the pattern of demend, the whole structure will dis-

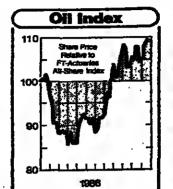
10 per cent this year – about 3 per-centage points higher than in 1985. Some 50 new foreign brands have The real point is whether Opec cuts back its output along the lines promised. The new official ceiling is called 15.8 million barrels a day, although for the first time the neutral zone between Saudi Arabia and Ku-wait is excluded. This is the equivalent of a company finance director putting a trading loss below the line n order to get a better stock market reaction for some dull results. Here the ruse has succeeded.

If the Opec countries do stick to around 16m barrels a day, then there is a prospect that prices will stay at around \$18. Yet in three years of controlling production, Opec has never yet been able to hold to its agreements for more than a short period. If it is seen to renege on this one, and prices begin to fall, then the swollen inventories will start to be unloaded, adding vicious downward momentum.

Hillsdown

Hillsdown's rate of deal-doing at one every 10 or 12 days does not stop for little distractions such as Christmas, But the purchase of a 29.9 per cent stake in Anglo United is out of the ordinary even for Mr Harry Solomon, who has bought some odd businesses in his time. Apart from the chance of some cheap coal to cut its £30m energy bill, Hillsdown appears purely to be making an investment in a wholly unrelated business.

It has enough admirers in the



sign of madness, and who knows, is just one part of e more aggres-without a miners strike or a collap-sive BHP. sing oil price, and with some more cash to invest, Angio might turn out a good purchase. Indeed, Hillsdown shareholders might even have wanted to buy energy shares themselves. Does that justify Hillsdown doing it for them?

Blue Circle

Blue Circle may not be kindly disposed to all Anstralians, since Ade-laide Steamship started building a stake, but it probably has BHP to thank for setting up an anction of Blue Circle Southern Cement, the

Blue Circle Southern Cement, the business they jointly control. Yesterday's announcement by Boral, the fast-growing and acquisitive Australian building materials company, of its intention to offer A5573m in cash or more in shares may only be the start of the hid-substantially underweight. No one ding BCSCs shares have raced up should read anything into the TSB since the "for sale" board was nailed to the door and is above Bor-

Even at that cash price, although, Bine Circle would get £110m for its 41 per cent stake, which might earn interest roughly equal to the profit. Blue Circle took from BCSC last

In cash terms it is even better because the dividend received from Australia was only around Elm. And as the fall in the Australian dollar has reversed BCSC's positive rate of profit growth to make a declining contribution to Blue Circle in sterling, even this price would not be a bad one.
Blue Circle has plenty of scope

dull UK performance lately. That should improve as the new rationalisation programme starts biting.
Either further investment in the US or some diversification might get profits moving again. Even left in the bank, the cash would cut gearing from around 40 to 30 per

But all that might just make Blue Circle yet more attractive to a pot-ential bidder, if that is Adelaide

Steamship's plan.

Meanwhile the deal seems to demonstrate the influence the new RHP directors, especially Mr Ro-bert Holmes à Court, are already having. Getting out of peripheral businesses and reinvesting the cash

For the wave of small shareholders created by the Government's latest offers for sale, perhaps the most compelling stock market sta-tistic is the differential between the British Gas and TSB 50p partly paid shares. TSB was supposed to be the stock market equivalent of the free lunch, whereas the pricing of British Gas had the grey marketeers at one point suggesting no premium at all. Yet now the differential is less than 10p with Gas strong at 64%p, while TSB yesterday managed a rare gain (of 1/p) to There are few signs that the TSB

price will stage a recovery, despite the fact that the institutions are part paid opening price of 102p, other than that index funds were attempting to buy their entire weight-ing in the first hour of the share's life. The slow dribbling down from the closing first day price of 85p is quite similar to the kind of post-flotation blues that affected Abbey Life, and British Telecom. It is also realistic. At the current price TSB is on a multiple of almost 9 times prospective egznings, while the UK clearers, with more exciting returns on equity, are on multiples of around 5. TSB was seen as an asset give-away, but at 73%p the discount to net assets is only 7 per cent. And with a bar on shareholdings of over 5 per cent, assets are hardly a solid

Paribas profits reach FFr 1.8bn

By George Graham in Paris

PARIBAS, the French banking group, has published its half yearly results for the first time, in preparation for its privatisation next

Compagnie Financiere de Paribas, the group holding company, re-corded net profits of FFr 1.8bn (\$273.9m) in the six months to June 30, compared with FFr 2.7bn in the whole of 1985. Excluding minorities,

document due to be published by mission this week in connection most perfect music reproduction, question of home taping with the flotation of Paribas, due to take place in January.

Operating profits within the group total amounted to FFr 1.1bn in the first half of 1986, or FFr 486m excluding minorities, compared with FFr 2.2bn in the whole of 1985. Portfolio profits and capital gains totalled FFr 749m, or FFr 443m ex-

Paribas is the second company to be floated in the French Govern-ment's privatisation programme and the first in a series of banks to be sold off over the spring of 1987. It will be followed in the second quarter by Credit Commercial de France and by the much smaller Banque du Batiment et des Travaux Publics, Banque Industriele et Mobil-ière Privée and Société Générale Alsacienne de Banque.

 Bouygues, France's largest construction group, yesterday blocked a proposal by Spie-Batignolles, a ri-val civil engineering and construc-tion concern controlled by the French Schneider group, to in-crease its capital, Paul Betts in

Bouygues recently acquired a 33.9 per cent stake in Spie-Batignolles, giving it minority blocking votes in its rival.

The leading French construction group disclosed last September it had acquired a 10 per cent stake in Spie, which it subsequently in-creased to 33.9 per cent, paying about FFr 830m for the blocking

Schneider, which owns about 60 per cent of Spie, has so far sought to fend off Bouygues' efforts to bring the two construction groups closer.

sale of non-copiable records BY DAVID THOMAS IN LONDON PROPOSALS being considered by ready exhibited combined compact versions, copiable and non-copiable

the European Commission would mean that buyers of records and music cassettes would have to choose between versions incapable of being copied at home and more expensive versions which could be

Revenue from the surcharge on copiable records and cassettes would be paid to music copyright

The idea is one of several being studied by the commission in the wake of the breakdown 10 days ago of talks between Japan and its net earnings were FFr 929m, compared with FFr 1.3bn in the whole tape (DAT), which the music industrial and EEC believes

BY JOAN GRAY IN LONDON

tralia's largest cement manufactur-

per cent by Broken Hill Proprietary

company, the Australian conglom-

The Boral offer is worth A\$235m

It consists of ASS for each ordi-

nary share, six ordinary 50 cent Boral shares for every five 50 cent Blue Circle Southern shares, or a

Boral's minimum acceptance con-dition is that it acquire not less than

90 per cent of Blue Circle South-

Both Blue Circle and BHP have

fer. Sir John Milne, Blue Circle In-

dustries chairman, would not com-ment on whether we have accepted

the Boral offer or whether it is a

good price. But we are interested in

Both companies decided to sell

receiving higher offers."

said they are prepared to sell their the sur holdings, jointly or separately, but have not yet agreed to the Boral of-profit.

combination of cash and shares.

each to Blue Circle and BHP.

Boral bids for Blue

BORAL, Australia's leading build- their stake in Blue Circle Southern ing products group, has made an because they no longer considered A5573m (\$383m) takeover bid for it a long-term strategic holding and no longer regarded Australia as a tralia's largest cement manufactur-

r. BHP wants to concentrate on its Blue Circle Southern is owned 41 other interests. Blue Circle – which

per cent by Blue Circle Industries, has just announced plans to cut the UK's top cement maker, and 41 2,000 jobs and reduce production ca-

Circle subsidiary

disc-DAT players, which the west-ern industry believes will encourage consumers to copy music from compact discs.

The industry has been urging the Japanese to fit anti-copying devices, known as spoilers, to DAT machines and tapes, but this was rejected by the Japanese manufacturers in talks at Vancouver, Canada, 10 days ago. It has also sought EEC and US legislation to enforce the fitting of spoilers.

DAT machines are expected to be launched in Japan in a few months and may be on sale elsewhere by

The issue will be the subject of an The figures are contained in a threatens its survival.

The figures are contained in a threatens its survival.

EEC green paper early in the New threatens its survival. Digital audio tape will allow al- right issues, including the broad

pacity in the UK - wants to invest

in high growth areas for cement

manufacture, particularly in the

Blue Circle Southern accounted

Circle Southern," he said.

the sunbelt. They earned 20.8 per

would help deal with the loss of revenue to music companies copy-right revenue from home taping, as well as the specific threat perceived

The 'two versions' idea has already been aired in Washington. It is seen as having the virtue of preserving consumer choice, while also belping assure that revenues from copiable records and tapes accrue to the holders of the musical copy-

However, it is not clear whether the proposal would face insuperable commercial or technical problems. It may also conflict with existing laws on home taping in some EEC countries.

The music industry in both the most pertect music reproduction, question of home taping.

US and the EEC says it is too soon using cassettes smaller than compact discs. The Jspanese have all and pre-recorded cassettes in two to the idea.

Leaders lose their

educated Chinese have become

"Let me give you an example," an engineering student said. "We heard about other protests in Chi-nese cities from the Voice of America. Is it right that Chinese should hear about a Chinese event from an

for £12m of Blue Circle Industries'
£117m pre-tax profits last year, and Sir John is not expecting demand for cement to grow in Australia. "We could get as much in interest on the cash as profits from Blue Blue Circle already owns US cement plants in the north eastern states, on the southern coast, and in

derstand reform in our country. cent of the group's 1985 pre-tax Future purchases would concentrate on filling geographical gaps, with plants in the mid-west, north-west and northern states. Blue Circle Southern has an output of between 2.5 to 3m tonnes of

Posters appeared at the Shanghai Communications University, which has been at the forefront of the protest, urging students to "struggle to victory" and encouraging those rejuctant to participate to "series" as

appeared at that and other universities warning students against pro-testing, and similar notices were erected in Peoples Square.

mains highly sensitive to these monthly announcements. fixed prices, Opec intends to abanthe students have successfully don netback pricing.

This announcement appears as a matter of record only.



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December, 1986

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Prices rise on Opec accord

Continued from Page 1

ing to set both price and output,
ing to Opec is expected to climb down from its price target. A second testing time is expected in the spring when oil demand will have fallen from the winter peak, putting Opec under pressure to abandon its

would be able to establish its basket of fixed prices, due to take effect at the beginning of February. Industry experts said that in try-ing to set both price and output,

As part of the planned return to

patience Continued from Page 1

aware that their level of human rights is far below that of many other countries, and that their press is far from free.

American broadcast?" The demonstrations were reported in the local press for the first

time yesterday in reports extremely critical of the protesters. Articles al-leged that a few activists with "alterior motives" have taken advantage of the disruption to "put up posters supporting counter revolutionary activities." "Some students don't really un-

Their understanding of their demo-cratic rights is unclear, the local press said. There was no coverage of the students four demands more democracy, press freedom, legal recognition of the protest, and guarantees of no reprisals - which they had requested be published. Instead, they were accused of threatening the country's stability and of not "treasuring" their pres-

luctant to participate to "arise", as well as denying the Government allegation that police had been in-

Students were unsure of how many days the protest would last, but diplomats suggested the lack of a clear agenda will cause them to dissipate in the next day or so. They presume that demonstrations will become more frequent in Shanghai, and perbaps other cities, now that

المكذامن الدُّم ل

FINANCIAL TIMES

Tuesday December 23 1986



San Miguel

to attempt

\$85m

buyback

SAN MIGUEL, the Philippines beer and consumer gooda giant, has asked its bankers to holp huy hack \$35m worth of its own shares, which were sequestered by the government earlier this year.

The block represents obout 15 per cent of the company's shares and a little less than half of 33.1m sequestered shares which the government has now freed for sale.

San Miguel's attempted buy-back is far from certain to succeed, but Manila stock mar-kets leapt last week in anticipation of a share sale.

GE to provide \$500m credit line for broker Kidder Peabody

BY ANATOLE KALETSKY IN NEW YORK

GENERAL ELECTRIC is providing chant banking or leveraged take. Its recent offer of a \$600m bridging a credit line of \$500m to its newlyacquired brokerage subsidiary, Kidder Peabody, in what is seen on designed to thrust Kidder into the

Call UK performance to should improve at high instance and instance are in the formation of the bank die earlier from anomal and cannot be constituted in the bank die earlier from anomal and cannot be constituted in the bank die earlier from anomal anomal and cannot be constituted in the constituted in the constituted in the cannot be constituted in the cannot b

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strategic expansion into the financial service business from the base by providing short-term bridging provided by GE Credit Corporation, commitments and loans out of their which had long been one of the biggest leasing and consumer credit the junk bond market, operations in the US.

The expectation on

Wall Street houses, has not been re-become an increasingly active par-garded as a major power in mer-ticipant in this business, following

overs and buyouts. The latter business has been dominated by Drexel Burnham Lambert which enjoyed unparal-leiled mastery over the market in Current boom business oo Wall high-yielding "junk" bonds which Street - organising and financing corporate takeovers and leveraged buyouts. In recent months, however, a number of other invest-

buyouts.

GE acquired Ridder in June this ment banks, led by First Boston mear for about \$500m as part of e and Merrill Lynch, have wrested lucrative deals away from Drexel own capital instead of turning to The expectation on Wall Street

facility in connection with the buyout of Tenneco's insurance units. Kidder oo Friday announced a reorganisation of its corporate structure designed to strengthen the merger and acquisition and junk bond trading departments. GE's \$500m credit line, which is likely to be leveraged up through bank borrowings into s fund of up to \$2bn should provide Kidder with the financial muscle to compete in this business.

For GE, participation in the risky takeover business will not be an en-tirely new departure. GE Credit has already established a reputation in the US credit markets for taking Kidder, as one of medium-sized yesterday was that Kidder would substantial positions in financing consortia for buyouts and takeover deals in recent months

Denmark taps Canadian \$ sector

BY CLARE PEARSON IN LONDON

shopping were tending to while a few co-lead managers and Danish away the hours in games of Trivial banks. Pursuit, which seems to be in vogue on Eurobond trading floors this Christmas.

Nevertheless, Denmark, an indefatigable borrower which last Fri-day issued Y130bn in Euroyen bonds, tapped the Canadian dollar royen issue slipped slightly in price

Vestfjorden's SFr 140m 5 per cent
sector with a deal led by LTCB In
from Friday's levels to 99% bid, 100

bond due 1999, which comes in two ternational. The C3150m five-year issue has a 9% per cent coupon and

EUROBOND turnover was negligible in London yesterdsy. Those placed. The bond is likely to have a dealers not intent on last minute small syndicate group consisting of put.

Japanese investors have been buying Canadian dollar bonds re-cently attracted by the high yield relative to US dollar bonds and the

Danmark's "jumbo" five-year Euoffered. This compares with a 101%

101% issue price.

Dollar fixed-rate bonds closed unnext May, traded for the first time.

The lead-manager said the bond changed where prices were quoted. The bond closed at around 99 was targeted at certain Japanese inbut Eurosterling bonds improved by against a par issue price. Dollar fixed-rate bonds closed un-

The D-Mark market traded quiet-y. KHD Dutch Finance's DM 150m. 10-year, 6% per cent bond dropped by % point to 97 compared with a

99% issue price. In Switzerland, however, trading volume was high given the time of year and prices firmed slightly. Vestfjorden's SFr 140m 5 per cent tranches, the A tranche payable next January and the B tranche

+14, 1134 +15, 10.26 +15, 10.27 +14, 11.97 +15, 11.95 +15, 11.95 +15, 11.95 +16, 11.95 +17, 11.95 +18, 11.91 +19, 11.17 -24, 11.17 -24, 11.27 -24, 12.27 -24, 12.27 -25, 2.55 -26, 2.55 -27, 24

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on December 22 US DOLLAR
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| Change on | Chan © The Financial Times Ltd., 1986. Reproduction in whole or in part in any form not permitted without written content. Data supplied by in any form not permitted with DATASTREAM International, The prices over the past week were supplied by: Kredicthank NV; Commerzhank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Gerterate du Luxembourg; SA; Banque Internationale Luxembourg; Kredicthank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pherson; Credit Suisse/Swiss Credit Bank; Bank; Bank; O Tolgo International; Chemical Bank International; Custe Mantattar; Chicarp International Bank; Daiva Europe NV; Credit Commercial de France (Securities); ESC Anno Bank; LTCB International; Robert Fleming and Co.; First Chicago; Goldman Saché International Corporation; Hambros Bank; ISJ International; Kidder Peabody International; Merrill Lynch Pierse Fenner and Smith; Morgan Stanley International; Nildo Securities Company (Europe); Nomura International; Polon Royal Bank; Samuel Mestagu and Co.

Fleating Rate Notes: De

NST payout halved as profits slide 55%

By Wong Sulong in Kuala Lumpur

new straits times, Malaysia's largest newspaper publishing group, has reported a 55 per cent drop in pre-tax profit to 24.5m ringgit tU\$\$9.5m) for the year ended Angust and is cutting its dividend by half.

Turnover fell 5 per cent to 181m ringgit. The after-fax profit was down 61 per cent to 10.1m ringgit, and en top

of that, the group had to write off 6.8m ringgit as on extraordinary loss from the diminution in the value of a quoted lavestment. NST, which publishes newspapers and magazines in

newspapers and magazines in Malay, English and Chinese, suffered principally from the charp drop in advertising revenue and circulation of its flagship, the English daily, New Straits Times.

It also said increases in newsprint and staff costs—"had a direct impact on group profit."

group profit."

The final dividend is 6 cents, making 15 cents a share for the year, compared with 30 cents previously. NST also amounced o one-for-fon-bonus issue, capitalising 17.2m ringgit from unappro-priated profits. The new issue will not be entitled in the final dividend.

The NST group is con-trolled by Kumpulan Ficet, an investment agency of the ruling United Malaysia National Organisation of Prime Minister, Dr Mahathir Mohamad.

Traffic decline hits MAS in first half

fly Our Kuala Lumpur Correspondenc

A DOWNTURN in domestic passenger traffic depressed pre-tax profits of Malaysian Airline System by 22.6 per cent to 58.2m ringgit cent to 58.2m ringgit (US\$22.3m) in the six months to September.

Turnover rose marginally by 2.7 per cent 10 695m ringgit, Profit after tax fell by 24 per cent to 56.9m ringgit or 16 cents a share, compared with 23 cents previously.

MAS said despite the slow-desire to the stow-desire to the stow-desired to the stow-d down in the Malaysian economy, the airline economy, the airline continued to perform well

During the period, it undertook several activities which would have long-term benefits for the group, luclud-ing the launching of a twiceweekly service to Los Angeles.

Angeles.
The expenditures for these were fully charged to the period and MAS did not anticipate further similar expenditure in the second

An interim dividend will be declared later.

Olympus Optical result propped by land sales By Our Tokyo Staff

OLYMPUS OPTICAL, the GLYMPUS OFFICAL, the Japanese maker of photographic and medical equipment, has reported a 39.7 per cent drop in pre-tax profits for the full year ended last. October, to Y4.9bn (\$30m) from Y8.16bn, on sales that declined 6 per cent in Y120.89bn from Y128.57. Sales of land, however, boosted net profits to Y10.59bn, an increase of 142 per cent from the previous year's Y4.39bn, and equal to an increase in profits per share to Y55.83 from Y23.54. Dividend will be malutained of Y13 o share.

For the current year,
Olympus forecasts a 1.7 per
cent increase in sales to
Y123hn,

Langeberg Co-operative beats sanctions

By Jim Jones In Johannesburg LANGEBERG CO-OPERA-TIVE, one of South Africa's leading fruit ennuers, over-came trade muctions difficul-ties in the year to October 31 and increased both sales and trading profit. Turnover rose to R365n

(\$166m) from R305m and the trading surplus increased to R14m from the previous year's surplus of R3m and a deficit of R12m (we years ago. Mr Carel Siassen, Lange-berg's chief executive officer, says that development of new markets allowed the co-op to overcome what he describes as "victimisation by activist

Murdoch bids for rest of S. China Morning Post

MR RUPERT MURDOCH, the price. Hongkong and Shanghai Dow Jones for the South China media magnate with interests spread from his native Australia io the US and the UK.

has made e general offer of HK\$77 a share for the outstandlng 46.2 per cent stake he does not ofready own in the South China Morning Past, Hong Kong's leading English language newspaper, and one of the most profitable newspapers in the

The offer follows deals over the past month with the newspaper's three main share-holders—the Hongkong and Shanghai Bank, Hutchison Whampoe, the trading group, and Dow Jones, the US publishing group—in which Mr Murdoch huilt up o 53.8 per cent holding at a price of HK\$23.2 The offer follows deals over bolding at a price of HK\$73 a

the Hongkong Bank and Hulehison have said they will sell all of their remaining sheres at the general offer

BY ANDREW PISHER IN FRANKFLIGT

48.8 per cent stoke in the South China Morning Post, exits from the deal with s eash windfall of HK\$1.15km (US\$147.6m), while Hutchison, which had held 25.4 per cent, will earn HK\$1.55km HK\$615m.
If all existing shareholders

accept the offer, Mr Murdoch will succeed in acquiring the newspaper group, which last year carned profits after tax of HK\$165m, for a total of HK\$24thn HK\$2,41bn. Mr Murdoch has yet to reveal his plans for the Post group, though when he first acquired a bolding, he said he would not take action to change signi-

ficantly the character of the newspaper." As part of his deal last week with Dow Jones, Mr Murdoch is considering an offer from

Bank, which until entering an Morning Post's key stakes in imitiol agreement with Mr two other publications—the Far Murdoch a month ego, held e Eastern Economic Review, and the Asian Wall Street Journal. If the offers are accepted, the Post'a coffers will be boosted to the tune of HK\$212m. • Telerate, the US husiness information group, has agreed in principle to acquire 49.6 per cent of AP-Dow Jones/Telerate,

which operates the Telerate, which operates the Telerate on-tine financial information net-work outside North America, from Associated Press and Dow Jones, Reuter reports from New

Telerate, which already owns the remaining 50.4 per cent of the venture, said it would pay Associated Press 86.5m in instalments over 15 years. Dow Jones would receive 2,600,000 Telerate shares increasing its interest in shores, increasing its interest in Telerate to about 35 per cent from 31.6 per cent currently.

Large foreign investors as well as local institutions are believed to be competing for the shares in San Miguel, which is the country's largest manufacturing The company'a "B" shares, which are available to foreign and local investors, rose 30 per VW boosts Seat stake to 75%

cent to \$5.9 during the week while the "A" shares that Filipinos alono can buy, rose by 14 per cent to \$4.

VOLKSWAGEN, the West German motor group, is buying a further 24 per cent stake in Seat, the loss-making Spanish car company, to bring its total shareholding up to 75 per cent hy the end of this year.

Whopes to have Seat turned hy the end of this year, the stage by stage ecquisition announced earlier.

Whopes to have Seat turned hy the early 1990s and is investing summer that it would purchase the rest by 1990. The full investment by then will be DM 1.3bn, with the latest addition costing the Wolfshurg-based group DM 312m (\$156m).

The Gertzan company, which recently said in expected broadly

The Gertzan company, which recently said in expected broadly

The Gertzan company, which recently said in expected broadly

The Gertzan company, which recently said in expected broadly In April the 33.1m shares were sequestered by the Presidential Commission on Good Government (PCGG) which is hunting down hidden wealth ocquired by former President Ferdinand Marcos and his associates. As a result it block a previous

As a result it block a previous San Miguel attempt to buy back the shares from the United Coconut Planters Bank (Cocobank) which is holding the sequestered shares in trust for the country's 1.4m coconut farmers. The PCGG suspected that the

beneficial owner of the shares might be a close Marcos husioess associate. Mr Eduardn Cojuangco, whose tentacular control of the coconut industry earned him the title of "coconut

king."
Earlier this month, the PCGG opened the door for the salo of the shares by ruling that they belong to trusts that Cocobank is administering for the coconut

limited partnership, in which Mer-rill would retain a majority stake. partnership, was seen on Wall Street as a setback for the company's efforts to consolidate itself

age and investment house, has cancelled plans to sell outright its large esidential real estate businesses. which were widely thought to be worth at least \$500m.

Apple . . .

eration, would now be spun off as a

Merrill to spin off property side

MERRILL LYNCH, the US broker- idential brokerage network, a relo-

Yodafore•

THE BRITISH PRODUCT SETTING NEW STANDARDS IN PORTABLE CELLPHONES AROUND THE WORLD.

cation company and a mortgage op- any specific date for the intended public offering of the new limited Merrill said yesterday that the

The fact that Merrill would be back into a purer brokerage and insusinesses, which consist of a resselling only half its residential investment business.





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NOTICE OF PREPAYMENT

THE KYOWA BANK, LIMITED

115 520,000,000

U.S. \$20,000,000

Floating Rate Certificates of Deposit
No. 000001-000020 issued on 31st January 1983
Maturity 29th January 1988, Callabla in January 1987
Notice is hereby given in accordance with the conditions of the above Certificates of Deposit (the "Certificates") as printed on the reverse of the Certificates that The Kyowa Bank. Limited (the "Bank") will prepay all the outstanding Certificates on 30th January 1987 (the "Prepayment Date"), at their principal amount.
Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of The Kyowa Bank. Limited, Princes House, 93-95 Gresham Street. London EC2V 7NA.
Interest will cease to accrue on the Certificates on the Prepayment Date.

Merrill Lynch International Bank Limited

Agent Bank

National &

Provincial

Building Society

£200,000,000 Floating Rate Notes 1996

Notice is hereby given that the Rate of Interest has been

fixed at 11½% p.a. and that the interest payable on the relevant Interest Payment Date 23rd March, 1987 against coupon No. 4 in respect of £5000 nominal of the Notes will be £143.36 and in respect of £100,000 nominal of the Notes

Lloyds Merchant Bank

NMB

MINEBEA CO., LTD.

U.S.\$100,000,000

Guaranteed Floating Rate Notes 1989 The Notes will be unconditionally and irrevocably guaranteed by

The Sumitomo Trust and Banking

Company, Limited

Notice is hereby given that the Rate of Interest has been found at 61/36 p.a. and that the interest payable on the interest Payment Date, June 23, 1987, against Coupon No. 6 in respect of U.S.\$100,000 nominal of the Notes will be U.S.\$3,286-II.

December 23, 1986, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

Scandinavian Finance B.V.

U.S.\$70,000,000

Floating Rate Serial Notes

due December 1993

Guaranteed on a subordinated basis by

Scandinavian Bank Limited

(Incorporated in England with limited liability)

For the six months

23rd December, 1986 to 23rd June, 1987

In accordance with the provisions of the Notes, notice is

hereby given that the rate of interest has been fixed at

61/2 per cent and that the interest payable on the

relevant interest payment date, 23rd June, 1987

against Coupon No. 7 will be US\$328-61 per Note.

Morgan Guaranty Trust Company of New York

UK COMPANY NEWS

Australian £55m bid for 'Investing in Success'

The chemicals and plantation group said that Barrow's shares had performed poorly because of an "neexciting record" of

earnings and dividends. Diversi-

fication eway from its original leather business had falled to

pay off.
Yule Catto said that the

English China Clays yesterday launched the second stage of its £137m hid for Bryant Hold-ings with an ettack on the Mid-

lands-based housebuilder's recent profit forecast and a

defence of its own diversifica-

The clays, quarrying and con-

struction group did not, how-ever, raise its offer as Bryant's

advisers had anticipated in e statement prematurely released

years. It questioned whether land sales were jeopardising long-term prospects and asked why Bryant failed to fore-shadow the improvement when it launched a rights issue in the

Dominion Intulint 2.5 Fashion and Gen ...int 10

Proutaprintint Radiant Metalint

Yule Catto urges Barrow

Yule Catto yesterday urged be able to compete more Barrow Hepburn shareholders to accept a £17.3m takeover offer which it said would bring commercial and financial benefits to the chemicals and engineering company.

The chemicals and plantation group said that Barrow's shares had performed poorly because Barrow has rejected the bid

ay off.

Yule Catto said that the get at 52p against 57p yesterpeciality chemical operations day, np 2p. Yule Catto was un-

English China attacks

Bryant's profit forecast

last week.

ECC criticised Bryant's prediction of a 55 per cent advance in the present year, against 41 for acceptances has been per cent in the previous five extended until January 27.

DIVIDENDS ANNOUNCED

Apr 7

Apr 7

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or ecquisition issues. ‡ USM stock. § Unquoted stock. § Shares marketed July 1985. No dividend

Feb 28 0.5

holders to accept offer

Panfida has become the latest Australian company to move into the UK market. Yesterday another third in Japan, 15 per cent in the US and the rest in Success" Equities, valuing the trust at £55m.

Mr Ken Nicoll, executive director of Panfida based in the UK, said that the group and institutions acting in concert with it held 28.7 per cent of IIS's net asset value calculated on e formula basis or 850p. A 7 per cent loan note alternative on the same terms is also being of the December 4 asset value.

We better rate of capital growth could be achieved.

Panfida is run by Mr Sama Cazal, also chairman of a small New South Wales television for the higher of 94 per cent of IIS's net asset value calculated on e formula basis or 850p. A 7 per cent loan note alternative on the same terms is also being offered. The offer values IIS's adjrector of merchant bankers at 900p each on the basis of the December 4 asset value.

We will about one third in the UK, another third in Japan, 15 per cent in the US and the rest in Europe.

The cash offer by Panfida is run by Mr Sama Cazal, also chairman of a small New South Wales television one formula basis or 850p. A 7 per cent loan note alternative on the same terms is also being of the December 4 asset value.

Mr Nicoll, who until May was a director of merchant bankers at 900p each on the basis of the December 4 asset value. offered. The offer values IIS's shares at 900p each on the basis of the December 4 asset value.

takeover.

IIS has called upon share-holders to ignore the offer. The trust is a capital fund managed by its directors and as of January 31 it had net assets of 448m. On December 4 the net asset value per share was 957.4p.

The investment portfolio, seen IIS holdings in fewer stocks, by Papedda as market capitalisation of around A\$60m, "were not intent on just buying IIS and selling on its investment, we really want to manifer the papedda as "massively in special signations and mainly the papedda as "massively in special signations are mainly the papedda as "massively in special signations are mainly the papedda as "massively in special signations are mainly the papedda as "massively in special signations are mainly the papedda as "market capitalisation of around A\$60m, "were not intent on just buying the papedda as "market capitalisation of around A\$60m, "were not intent on just buying the paped as a paped as by Panfida as "passively in special situations and mainly managed," is spread fairly in the UK and US, he believed

Barrow has rejected the bid as "totally unacceptable." Yule Catto's offer of 108p cash and one £1 convertible preference share for every four

failure to give e divisional breakdown of its activities and

ECC shares added 1p to 312p,

Hill and Smith (steel stockholders, fabricated products and drop forgings) has pur-chased Armeo Construction Products for £2.05m cash.

RANV

Scruttons "A"
Torday and Cenists
Trevier Holdings
Unitack Holdings (SE)
Water Alexander
W. B. Yaetes
West Ynder Ind Hose (USM)

SPONSORED SECURITIES

Date Corres- Total Total

of sponding for

to put e value on its landbank.

accounting standards.

fida saw itself as an entrepreneurial company. No flurry of fund raising was planned if the offer succeeds, he said, but moves could be made to lighten the shares through scrip and/or warrants issues. A listing for IIS in Australia would also be

BET in £11m US acquisition

By Clay Harris

BET, the diversified services group, is to pay \$16m (£11.2m) for Werner Enterprises, a US scaffolding and site access com-

Goldman Sachs, the US investment bank, yesterday placed 2,644,740 new BET shares at 432p to finance the acquisition. Fees for the "bought deal" amounted to just over 5p e share, or about £135,000. BET shares added 1p yesterday to 437p.

Werner, which trades as Sai-T-Green, sells and hires frame scaffolding, hoists and serial work platforms. The family-owned company reported pre-tax profit of \$2m on turn-over of \$23.7m in 1985.

Senior management will remain with the Atlanta-based company which also has depots in Florida, Alabama and

The Werner acquisition is BET's first major move into US The Cornish group defended its treatment of reorganisation costs as extra ordinary items and its valuation of land owned by Bradleys, taken over in 1984, as in accordance with building services since its take-over of HAT Group in Septem-ber brought it market leadership in contract painting.
Previously, BET's only North
American venture in the sector
was Toronto-based Swing Stage
Clima, which rents access equip-

W. Alexander purchase

Walter Alexander is acquiring the outstanding 62 per cent in its associate Fios Group for an initial £5.1m. The payment is being satisfied by the issue of 275,000 shares, £3.7m in loan notes and £1.2m cash. There will be further performance-related payments estimated to be about £2m.

Flos, which makes bedroom products under the Siumherdown hrand in the UK and Com-fort Pilloy in the US, made e profit of £1.34m on sales of £30.2m in the year to end-January 1986.

OSCA, public relations and marketing company, has bought a 28 per cent stake in Cromer Titterton Mills Cowdrey, advertising agency, for £400,000.

Price Change dir.(p) % · P/E

Granville Davies Coleman Limited 27 Lovat Lane, London EC3R 8DT Telephone 01-621 1212 Member of the Stock Exchange

12.8 2.3 8.6 8.5

Carlton US purchase of Gordon Ent. for £14.7m

By Clay Harris

Cariton Communications is entering the key New York market for radio and television commercials production with the acquisition of Gordon Enterprises for up to \$21m (£14.7m).

Gordon provides voice-over and audio-mixing facilities to a wide range of clients, including major advertising agencies and MTV, the popmusic video channel. Radio advertising accounts for about half of Gordon's business.

Cariton, Europe's largest television production facilities company, plans to invest about \$10m to complete Gordon's new computer graphics video studies in Manhattan.

Cariton's Complete Poet is already a leading post-production player in the laywood-based programmes market.

For 1986, Gordon is fore-easting pre-tax profits of \$2.im (\$700,000) on turnover of \$9.5m. Its semior manage-ment will continue on five-year service contracts. year service contracts.
Cariton will pay an initial
36.2m in cash. Up to \$14.8m
in additional payments, linked
to profits in the five years to
September 1991, will be paid
in shares and/or cash, Cariton
shares were unchanged at
10290.

Minet paying £3m for US marine broker

Bowes Heldings, a US sub-sidiary of Minet, the London-based insurance broking group, is paying \$4.6m (£3m) to buy 90 per cent of Canti-nental Underwriters, a New Orleans marine surplus lines insurance broker.

The move is part of a US ane move is part or a US strategy of acquiring small specialised brokers, Minet sald yesterday. Bowes Holdings' operates as an excess and surplus lines broker, arranging for the placement in the international market of insurance business generated by US retail brokers.

About 15 per cent of Conti-nental's business originates from oil industry elients. But the bulk of it comes from broking marine insurance for

broking marine insurance for river traffic on the Mississippl, Minet said.

Mr Brian Hayes, chairman of J. H. Minet, thet Lloyd's broking subsidiary, said: "In thet US there are many surplus lines brokers for said; but most are in the traditional property and casualty field. We are trying to buy smaller operations with special expertise."

Continental, which is

Continental, which privately owned, made privately owned, made pre-tax profits of \$1.7m (£1.2m) in the year ended September 30. Bowes has paid \$4.2m of the consideration in cash, with the remainder subject to e \$225,000 upward or downward adjustment depend-ing on Continental's 1987 profits.

More Goldsmiths'

shares for Oriflame Oriflame, the London-listed but Scandinavian-based direct sul Scandinavian-based direct selling cosmetics company which last week launched a £40m hostile bid for Gold-smiths Group, yesterday aunounced that it has-increased its stake in its target from 28.2 to 28.8 per

The additional 89,978 shares were bought at 260p—the level of Orlfame's cash alternative. additional

Hillsdown buys into coal mining with Anglo United deal

Times Calmandae Seal and Seal

Hillsdewn Holdings, the acquisitive foods and furniture group, is adding coal mining to its range of interests via the acquisition of a 29.9 per cent stake in open-cast group, Anglo United.

Anglo is issuing \$4.9m new shares to Hillsdown. Hillsdown will subscribe at 25p each—compared with yesterday's closing price of 30p, up 3p on the news—for a total cost of £8.7m. Anglo directors who currently control 49.7 per cent of Anglo United via two Netherlands Antilles companies are backing the issue, which will dilute their stake to around 36 per cent.

Hillsdown stressed yesterday that it sees the holding as an investment and has no plans to make a bid for the mining

Anglo currently produces is likely to sell

the around im tonnes of coal o year.

where though this should rise to lim

tonnes next year as two new

tonnes next year as two new

the sites come on stream. Pre-lax sites come on stream. Pre-lax profits, however, have been erratic, yo-yoing between £121,000, £2.4m, £165,000 and £3.2m over the past four years. In the six months to end-April the pre-tax figure fell from £1.5m to £852,000 but the group says it is confident about the full-time result. Its year-end is being shifted to end-March, and this will cover a 17-month period.

period.

The money raised from the Hillsdown share purchase will go towards expanding Anglo's interests into the coal distribution business. The company said yesterday that it will join the hidding for LCP Fuels, the Midlands-based fuel distribution business which Ward White is likely to sell

Holmes & Marchant pays £6m for Biggs Comms

Holmes & Marchant, sales promotion consultant and of Biggs, and the agency's graphic designer, is to move founder, Mr Frank Biggs, will into advertising and public relations with an agreed takeover.

The takeover is to be financed. lations with an agreed takeover of the Biggs Communications Group for up to £6m.

The acquisition will also give Holmes its first access to in-house typesetting, photographic and film and video production Biggs specialises in work for

pharmaceutical companies, while Holmes is most active in

The takeover is to be manced through the issue of new shares to the vendors at the prevailing market price. The initial £1.75m payment would involve the issue of about 565,000 shares at yesterday's price of 310p. Subsequent payments are linked to profits in the three years to September 30 1989.

Riggs reported profit before

while Holmes is most active in product development and design work in the grocery sector.

"It's a great fit in every respect," Mr John Holmes, group chief executive, said yes-

Sutcliffe Speakman ahead

Sutcliffe Speakman improved its turnover from £7,94m to £8,56m and pre-tax profit from £270,000 to £302,000 in the aix months ended September 30 were made for them to be sold. 1986. Earnings were 2.3p (2.2p) per share.

Trading profit for the period

was an exceptional debit of 587,000. Carbons performed well, the directors said. Benefits of reorganisation were beginning to come through and should be more fully reflected in the

The directors were optimistic about the medium and long term future, but felt those comwas held at £506,000. But panies would be better situated interest charges were £204,000 in an engineering group. Details (£168,000) and last time there was an exceptional debit of in due course.

In July, the company raised £1.6m by an issue of ordinary and preference shares and warrants. First dividend on the preference will be paid at the end of the month.

ATC forecasts £7.5m profit ALLIED TEXTILE COM-

PANIES, which has made an agreed bid for Bulmer & Lamb, the Bradford-based textiles group, yesterday posted its formal offer document formal offer document to Bulmer shareholders and forecast that Allied's pre-tax profits for the year to September 30 1986 would reach £7.5m.

In the year to September 30 1985 the company made pre-tax profits of £6.4m.

Allied said the 17.2 per cent increase resulted from an improved performance from its existing textile operations and a larger contribution from financial activities.
Holders of Bulmer's 3.5 per

cent preference shares are being offered 60p a share, or 60p in loan notes. The price, Allied said yester-

day, represented a premium of 18p. or 42.9 per cent, over the middle market quote for Bulmer's preference shares at the close of business on December 17 and an exit yield of 8.2 per cent.

Burns-Anderson

resists bid By Richard Tomkins

Burns-Anderson, the financial services and motor distribution group, yesterday sent out its formal defence document in response to the £21.3m hid from Dudley, a private company owned by two West Midland's property developers.

The Burns-Anderson board says in its letter to shareholders that Dudley's 103 p.a share offer is not only inadequate and mis-conceived, but also hastily constructed.

Dudley "clearly mounted its opportunistic attack" to accumulate as many shares as possible before Burns reported its figures for the year to September, showing an 88 per cent increase in present cent increase in pre-tax profits. "The strength of our share

price, which stands well above the offer price, indicates that the market also regards the offer as commercially unjustified and totally inadequate," it says. Burns' shares closed 34p up at 112p.

COMPANY NEWS IN BRIEF

ordinary were 2.05p (2.06p)

and net asset value was 95.4p

STAVELEY INDUSTRIES said

COURTAULDS' £28.2m offer for Fothergill Harvey, the advanced materials and insulation materials manufacturer. materials manuacturer, attracted acceptances in respect of just 0.5 per cent by the first closing date. The offer has been extended until January 30. Fothergill shares rose 11p to 247p yesterday on hopes of a strong profits forecast for its full year, which is likely to be published next week. That compares with Courtsulds' cash-only after of 225p. Courtsulds' shares rose 2p to 314p.

SCOTTISH & MERCANTILE Investment Trust: Interim dividend 1.4p (same) for six months ended September 30, 1986. Revenue before tax was £820,000 (£859,000); tax charged £270,000 (£304,000) and minorities £49,000 (£52,000) leaving \$49,000 (£52,000) leaving attributable profits of £501,000 (£503,000). Earnings per 5p ordinary and "A" non-voting

for Frank G. Gates, Ford main car dealer, was posted to shareholders, was posted to share-holders, yesterday. Giltrap, owned by New Zealand busi-nessman Mr Colin Giltrap, is offering 120p cash for each share with a loan note alterna-

> that contracts had been exchanged for the sale of the business of Lapointe broach division of Staveley Machine Tools, e wholly owned sub-sidiary of Staveley, to Marbaix (Holdings). Total realisation from the sale by Staveley will be about £6m.

SELECTY (subscription television operator) — Pre-tax loss DWEK GROUP has entered increased from £116,000 to negotiations which may lead to £143,000 in half-year to Sep- a major acquisition of a private tember 30 1985 on turnover company.

down from £48,000 to £38,000. Interest receivable was £20,000 (£42,000), and the loss per share of this USM company was 1.04p (0.84p). At September 30, cash balances stood at £334,000.

MONES & CRANE said contracts have been exchanged for the purchase of Sarjents Tool Stores. Sarjents is a distributor of engineers' tools, hand tools, power tools and woodworking equipment, selling from three retail sites in Reading, Swindon and Oxford. Sales for the year to June 30 1986 were £1.8m, and a loss of £96,000 was reported. The 1950 were 2.5m, and a 1056 or 596,000 was reported. The consideration will be 592,000 in cash on February 2 1987, and 5200,000 in loan notes and approximately £100,000 in cash on March 1 1987.

SHARE STAKES

CHANGES IN company share stakes announced during the

Granada Group.—Director Mr Bernstein sold 25,000 Ordinary shares at 286p per share on December 12.

Associated British Engineering.—Mr M. J. Barry, a director, disposed of 200,000 ordinary at 5.75p on December

18 and now belds 234,478 ordinary and 13,965 convertible preference shares.
Acquescentum.—Mr. G. M.
Abrahams, chairman, sold
200,000 "B" shares at 64p on

F. J. C. Lilley — Mr J. M.
Barber, director, purchased
50,000 ordinary at 30p per share.
Tunstall Telecom Group.—Mr
R. Pinder, director, sold 30,000
shares at 295p on December 4.
Mr M. Spencer, director, on
December 5, sold 200,000 shares 200,000 "B" shares at 64p on December 8.

Laura Ashley.—On December 15, Mr J. Winter, director, disposed of 25,000 shares at 180p per share and now holds 86,703 mcFarlane, director, purchased shares.

Shares at 285p on December 4.

Mr M. Spencer, director, on December 5, sold 200,000 shares at 285p.

Guinness — Sir Norman McFarlane, director, purchased 20,000 stock units at 288p each.

69REULIDATED STATISTICAL PROPERTY

Statement of (for the period April 1, 1986 to September 30, 1986) in Millions of Yen	Connobidation Net Select (6 marks earling latest 27 and Sept. 30) (v latest 1,750 1,750 1,637 1,637 1,561 1,500
Net sales 1,560,670 Costs of sales 1,139,842 Income before taxes and minority interests 25,236 Income taxes 13,983 Net income 12,014 Net income per share 4.27 (in Yen)	1,000 500 500 500 500 500 500 500 500 500
Balance Sheet	(September 30, 1986) in Millions of Yen
Assets	Liabilities and Shareholders' Equity
Cash and time deposits	Bank loans and current portion of long-term debt
Other assets539,358	

TOSHIBA

CREDIT NATIONAL £169,000,000 Guaras Unconditionally
guitanteed as to payment
of principal and
interest by
THE REPUBLIC OF FRANCE

scordinger with the terms and conditions of Notes, notice is bereby given that for the or moth innerest period from 18th sember 1986, the Notes will carry a rate of rest of 114/96 per massum. The nelevant rest payment date will be 18th Moreh 1987. ount per £5000 will be £141-78 Hambros Bank Limited



Granville & Co. Limited 8 Lovat Lane, London EC3R SBP Telephone 01-621 1212

Citicorp Banking Corporation CHICOPP DARKING COPPORATION

U.S.\$250,000,000

Guaranteed Floating Rate Subordinated Capital Notes Due July 18, 1997
Useconditionally Gazzanteed on a Subordinated Basis by

CITICORPO

Pursuant to Poragraph (d) of the Terms and Conditions of the Notes notice is hereby given that the period in respect of Coupon No. 4 will run from Jonuary 12, 1987 to February 12, 1987. A further notice will be published odvising Rate of Interest and Coupon amount poyable.

December 22, 1986, Instance. December 23, 1986. Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

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own buys ining with United deal

& Marchant In

Biggs Comm

REPLACING YOUR WINDSCREEN NEEDN'T BE A COSTLY OPERATION.

When your face hits the windscreen you'll be glad that the windscreen gives way to it.

But even with a laminated windscreen you could still cut your face to ribbons.

That's why Pilkington has developed an antilacerative windscreen that will give way but not splinter, making it even safer.

A thin plastic coating bonded to the glass holds it together (what's more it won't craze; if the windscreen is struck by a stone it merely chips or cracks leaving a clear view of the road).

Of course, if everyone were to wear their seat belts then this sort of accident need rarely, if ever, occur.

Unfortunately these accidents happen every day. That's why we have to continue to make the glass safer.

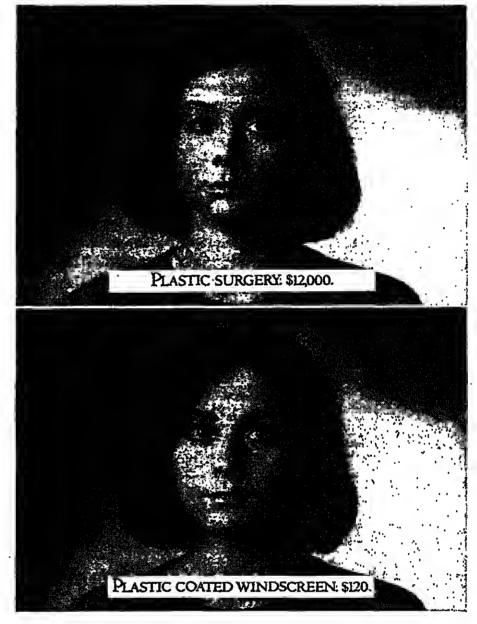
In the USA where they have the most stringent safety regulations of any country, Pilkington is by far the major supplier of automotive glass.

Pilkington is responsible for about 17% of the world's output, last year glazing over 7 million cars.

Just one of the achievements of a company that has successfully built itself up to become the world's leading glass company, with a worldwide turnover of around £2,000,000,000.

Pilkington is currently developing an invisible windscreen heating element which can defrost itself in under two minutes.

A windscreen containing an almost invisible car aerial.



A car window so tough that stolen car stereos may soon become as outdated a phenomenon as The Bay City Rollers.

No other glass manufacturer produces as large a range of products, from flat glass to glass fibre, from ophthalmic lenses to the optics for missile guidance systems.

These are the innovations that give Pilkington the edge over the competition.

Although, in this case thankfully, not the cutting edge.



The world's leading glass company.

These securities have been sold outside the United States of America and Japan. This announce appears as a matter of record only.

NEW ISSUE

December 1986



THE CHIBA BANK, LTD.

(Kabushiki Kaisha Chiba Ginko)

U.S.\$100,000,000 2% per cent. Convertible Bonds due 2002

Issue Price 100 per cent.

Nomura International Limited

The Nikko Securities Co., (Europe) Ltd.

Morgan Guaranty Ltd

Swiss Bank Corporation International Limited

Algemene Bank Nederland N.V. **Bankers Trust International Limited** Banque Paribas Capital Markets Limited **Chase Investment Bank** Citicorp Investment Bank Limited **Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited** Hill Samuel & Co. Limited Kleinwort Benson Limited **Manufacturers Hanover Limited** Mitsubishi Finance International Limited **Morgan Stanley International** Nippon Kangyo Kakumaru (Europe) Limited Sanwa International Limited **Shearson Lehman Brothers International**

S. G. Warburg Securities

Bank of Tokyo International Limited Banque Bruxelles Lambert S.A. Barciays de Zoete Wedd Limited **Chemical Bank International Limited County NatWest Capital Markets Limited** Daiwa Europe Limited Goldman Sachs International Corp. IRI International Limited Lloyds Merchant Bank Limited **Merrill Lynch Capital Markets** Samuel Montagu & Co. Limited **New Japan Securities Europe Limited** Salomon Brothers International Limited Sanyo International Limited Union Bank of Switzerland (Securities) Limited Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

Cosmo Securities Europe Limited Dai-Ichi Europe Limited KOKUSAI Europe Limited Marasan Europe Limited Talheiyo Europe Limited Tokyo Securities Co. (Europe) Ltd., Okasan International (Europe) Limited Yamatane Securities (Europe) Limited Toyo Securities Europe Ltd Wako International (Europe) Limited

"Name one company doing well in oil, steel and minerals today."

On December 19, BHP announced its results for the half year ended November 30. 1986. On sales of A\$4.4 billion, BHP reported a profit of A\$409 million, the second highest November half in the

The result. excellent in itself, is all the more remarkable in the face of depressed world oil prices, stagnant steel demand and

Company's history.

intensely competitive minerals markets. But those are just the sort of eventualities that BHP's long term business strategies are designed to surmount.

In the economic downturn of 1982-3 steel was facing losses and our oil and minerals operations carried the task of maintaining shareholder dividends.

Since then large scale reinvestment, effective management and improved productivity have seen a big turn-round in our steel business.

Today it is returning the profits which are compensating shareholders for currently low oil prices.

With continued reinvestment and modernisation of the steel industry. improving oil prices and cost-efficient minerals operations, BHP continues to be one of the world's most successful and profitable resource companies.

This has enabled BHP to maintain

good overall profits and the Board to say confidently that BHP businesses are well placed to take advantage of improved market opportunities worldwide when they arise. Moreover, the

> outlook for the remainder of the 1986-7 year is for improved profits and a strong full-year result. Indeed, in difficult times

our shareholders have already banked the proof of BHP's long term business strategies - a recent dividend distribution 22% above the November

1985 level.

MOVEMBEL	HAR IC	of tecornica	IN DIJET On	TIC-TAOACTT	Det 1300)	
	Sales Aşm	Net Profit Aşm	Capital and Investment Expenditure A\$m	Earnings per Share A¢	Dividend per Share A¢	
BHP Group	4407	409	1184	31.2	17.5	
petroleum	622	86	Notes: On Novem	her 30 1996 Act	- 11985 and	
minerals	1539	159	Notes: On November 30, 1986, A\$1 = US65 cents Sales revenues and net profits do not add to the BBP Group figures due to intra-Group transactions and corporate items.			
steel	1968	121				

For a copy of the full half year report please write to International Investor Relations Dept., BHP, 140 William Street. Melbourne, Australia, 3000. Facsimile (03) 6093015.



UK COMPANY NEWS

Dominion Intl. hit by natural resources decline

bution from the natural re-sources side pulled back Deminion International Group in the six months ended Sep-tember 30 1686, with its pre-tax profit falling from 25m to £4.65m.

Basic earnings, however, were only marginally reduced to 7.49p (7.5p) after lower minorities, and the interim dividend

is held at 2.5p net.
The financial division contributed £2.9m (£2.36m), property development £1.53m (£1.37m), and natural resources £775,000 (£1.85m). Central overheads came to £549,000 (£528,000). The directors explained that the relative decline of property ine relative decime of property and resources, coupled with the emergence of new financial activities, was evidence of the change in emphasis and direc-tion that the group was being put through.

The plan was for a much

sharper focus on financial ser-vices, with low yielding assets and capital intensive operations making way for core bus with strong cash flow and earnings growth. Changes

Changes were expected to have an adverse effect on short-term performance, but a favourable impact on long-term growth and prospects. Core businesses would be supplemented by the acquisition

Profits down

Advertising

Moss Advertising Group fared better in the second half of 1985-86 following the sharp set-back from £231,000 to £7,000 at balf time due to the loss of a

major client and one or two other factors. For the year to

August 31 1986 pre-tax profits were down from £422,000 to

The directors stated that the foundations were now being laid for the future by investment in

additional personnel, particularly in the creative sector. This investment would hold back profits in the short term but benefits were expected to accrue before the end of the

current year.

In addition, the group had been very active in identifying potential acquisitions and the directors were in discussions with a number of parties.

The final dividend is 1p making 2p a share from earnings of 4.08p (7.30p).

Batleys, the Huddersfield-based cash and carry whole-saler, recorded a £145,000 advance to £652,000 in pre-tax profits for the 27 weeks to

margins were also better at 0.62 per cent compared with 0.51

per cent for the corresponding 26 weeks of the previous year.

Turnover was £112,23m (£95,27m) and operating profits were £692,000 (£485,000); net

interest payable was £40,000 (£22,000 credit). Tax charged was £286,000 (£151,000) and

earnings per share emerged at 2.72p (2.30p). The interim dividend is an unchanged 0.5p.

FASHION AND General Invest

ment: Net asset value per 5p share at end of September 1986

507.7p, against 493.4p a year earlier. Dividend for six months

to September 30 unchanged at 10p.

Operating

Batleys improves

current year.

at Moss

At Southwest Resources, the 59 per cent-owned USM-quoted company, turnover fell to £3.87m (£4.26m) and profit to £775,000 (£1.85m) as the decline in oil and gas prices took effect. Included in the profit was the Included in the profit was the final instalment on the disposal of its North Sea interests accounting for £675,000 after

In the US, the States Petro-leum group subsidiary con-tinued to operate profitably, although at a much reduced level. New exploration was substantially cut to reduce costs, but the group was well placed to acquire producing properties. Southwest's investment in Southwest's investment in to belp the shares rise much Wm Hunt performed poorly above a depressed 190p.

Ault & Wilborg, the chemicals and resins manufacturer 83.5 per cent-owned by Sun Chemical of the US, is selling its paints businesses to Berger Jenson and Nicholson for \$12.2m

acash. Berger is a subsidiary of Hoechst (UK).

Around £2.9m of the purchase price will be paid over a five-year period depending on the increase in the purchaser's turnover during that period. The deal is conditional on the

The deal is conditional on the non-referral of Berger's acquisition to the Monopolies

In the six months to June 30

to September 30 1988. After in-curring losses of £121,900 in the previous year, the group yes-terday reported a swing back

into the black with profits of £306,000. That was after

charging a loss on discontinued

Mr John F. Nash, the chair-

continued to perform most satisfactorily, and packaging had maintained the improve-ment seen last year. Although the construction losses had

been significantly reduced, the results remained disappoint-

ing; competition was fierce and

Nevertheless, he said, future

The final dividend is doubled to 1p for an increased total of 1.5p net (0.5p). Stated earnings per 25p share were 5.1p compared with losses of 2.5p.

Group turnover for the year was lower at £15,25m against

said engineering had

activities of £57,000.

margins were tight.

Berger pays £9.2m for

Ault & Wiborg paints

Ault's paints division made a month, Mr C. F. Strang chair-trading loss of £24,000 on sales man of Ault said yesterday.

AS anticipated, an improvement £17.45m. There was an operat

reserves).

Prontaprint falls

Improvement at Nash

costs and expenses.

of Transnational, a specialist computer leasing operation based in the US for between \$12m and \$27m.

Disposal of development properties was progressing, with contracts exchanged or completed on a good proportion of the commercial portfolio. And last week the company announced it was withdrawing from the UK housing market.

Over two years, the disposals should release more than \$25m companter leasing! Stripped of its bouse hullding side the property development division is should release more than \$25m companter leasing! Stripped of its bouse hullding side the property development division is second half. Natural resources still has to bear the brunt of South Western's share of William Hunt's costly failures in Thailand. But not all is bad. Thailand. But not all is bad news here—the accountants might find that SW's accumulated tax losses sit rather well with Transpational's profit's stream. The cash to come from the property disposals should help keep gearing down to 50 per cent but the real question is what cash flow source Dom-inion will tap to fund an expan-sion of its lending activities now that the rental and house completion streams are coming to an end. Forecasts of not much more than last year's £11m for 1986-87 are unlikely

of £9.8m. Net assets as

December 31 1985 showed a book value of £9.7m.

for the paints division sale will be held towards the end of next

G. M. Firth advances 34% in first half

AGAINST A hackground of fierce competition in its main areas of activity. G. M. Firth (Holdings) lifted its sales by 18 per cent and pre-tax profit by 34 per cent in the half year ended September 30 1986. Earnings per share rose 40 per cent and the interim dividend is stepped up to 0.5p net, from 0.45p.

man, said it would be unwise to be too optimistic while the industrial climate remained uncertain, but he remained confident that growth would con-tinue in the second half. Firth is engaged in steel stock-holding and machinery dealing. furnishings, floorings and fittings, transport and has a near 65 per cent controlling interest in Porter Chadburn, the quoted manufacturer of food and drink

and general engineering equip-In the half year group sales were £27.96m (£23.52m) and profit £1.45m (£1.08m), subject to tax \$412,000 (\$416,000) and minorities £143,000 (£30,000). Mr Wasserman said margins were under pressure in steel stockholding and resulted in a 10 per cent reduction in profit, and "it seemed inevitable" that profit for the full year would

somewhat lower. On the furniture side, trading profits rose 30 per cent and the chairman remained confident that last year's record would be at least matched. The Leeds depot was

Transport benefited from certain contractural settlements and profit was comfortably shead, and a good result for the year was anticipated. Regarding Porter Chadburn Mr Wasserman said the prob

Anit & Wilborg said yesterday that 220 jobs would be lost as a result of the sale of the paints iems of the oil industry did business. Ault will incur redun-dancy costs of £1.2m, which will not help recovery and growth which remained slow but be paid fro mthe proceeds.
At an extraordinary general meeting held yesterday Ault shareholders approved the sale of Ault printing inks division to Japan's Dainippon Ink and Chemicals for £16.25m. An egm which remained slow but steady. Sales rose to £10.88m (£8.8m) and profits to £347,000 (£85,000); earnings came to 5.2p (1.63p) and the interim dividend is raised to 1p (0.7p)

In general engineering, plastics manufacture, and distribution, the sales volumes and trading profits were largely in line with budget. But the food and drink equipment division experienced considerable presented and trading profits and the following the sales with sure on margins, and the oil service sector companies felt the impact of the low oil price —one traded at a small profit and the other at a loss.

comment

in pre-tax profits has been ing profit of £767,000 (£430,000). achieved at Nash Industries. The pre-tax figure was after packaging, engineering and interest charges down from construction group, for the year £551,000 to £461,000. Tax took G. M. Firth has been twice blessed in the last half-year by £89,000 (£24,000 credit). There the acquisition of its majority stake in Porter Chadburn. First, the continued recovery of the was an extraordinary credit this time of £33,000 against a loss of £796,000. After dividends engineering group—from profits of around £85,000 this time last of £64,000 (£21,000), £186,000 was transferred to reserves year to £347,000 now—has given (£914,000 transferred from Firth's pre-tax figure a considerable shot in the arm. Second, Porter's historic tax losses have acted as an accelerator at Firth's bottom Prontaprint falls
Prontaprint, the USM-quoted franchiser of high-speed print and copy shops, reports a sharp fail in profits for the first 28 weeks of 1996-87 despite only a marginal decline in turnover. Pre-tax profits tumbled £276,000 to £80,000 against a fall of just £3,000 to £1.81m in turnover.
Earnings per share emerge at 0.51p (3.21p) after a £43,000 (£136,000) tax charge. Second balf is traditionally more profitable, stated the directors, and they forecast more encouraging prospects for the next financial year. The interim dividend is maintained at 1p. line, turning the 34 per cent pre-tax growth into a 40 per cent advance in earnings. This is just as well, since Firth's performance would not have looked too bright otherwise: indeed, only the £130,000 profit on the disposal of the Hove property portfollo averted the possibility of an overall downturn. The steel stockholding division seems unlikely to stage a revival overnight, so shareholders best hopes of rapid pre-tax advances seem to rest more on the group's policy of expansion through acquisi-tion than the potential for strong organic growth. The share price, down 2p at 70p yesterday, could mark time till the solidity of profits growth becomes established.

COMPANY NEWS IN BRIEF

CAMPBELL & ARMSTRONG (store design and shopfitting): Interim dividend 1.3017p net. Turnover for the 26 weeks to September 28 1986 was £4.15m (£2.83m) and pre-tax profits £650,000 (£273,000); net interest charges were £20,000 (£61,000), tax took £236,000 (£89,000) leaving attributable profits of £414,000 (£184,000) and earnings per share of 6.5p (3.1p).

BOWATER INDUSTRIES has BOWATER INDUSTRIES has bought Staybrite Windows, a Midlands replacement window company, for an initial instalment of £3m with a further maximum of £3.5m contingent on the results over the next two years. Consideration will be satisfied by the issue of

MINGSBANGE PRODUCTS (maker and distributor of toiletries)—For half year ended October 31 1936, sales were 57.42m (£6.17m) and profit £954.000 (£906.000). Interim dividends initiated with 5p net payment. Branded products performed strongly in the UK and North America. Group should achieve profit objectives for year.

CADBURY SCHWEPTES' Australian subsidiary, Cadbury Schweppes Australia, is to sell its 40 per cent holding in Ossis

BOARD MEETINGS

Industries to L. D. Nathan, which owns the balance of the shares. The total consideration was NZ\$26m (£9.87), a surplus of NZ\$16.4m (£5.81m) over the

book value.

RADIANT METAL, Finishing (Electroplating and metal finishing, property development and retail of home furnishings): Interim dividend 1p for half-year to August 31 1986 (same). Turnover £753,100 (£463,937). Turnover £733,100 (£463,937); operating profit £86,382 (£44,009), investment income £3,742 (£130,481) and profit before tax £90,125 (£174,490). Tax charged was £31,919 (£57,630) leaving carnings per 12½p share of 4.28p (8.59p).

UNITED GUARANTEE (Hold ings): Listing restored, after issue of circular letter approved by shareholders. LAURENCE GOULD said an approach had been received

BANCO ESPRITO SANTO E COMERCIAL DE LISBOA ing Rate Notes Due 1990 Standard & Chartered

> I.G. INDEX FT for December 1,280-1,286 (+8) Tel: 91-828 5639

which might or might not lead to an offer being made for the whole of the equity capital of the company.

STANDARD SECURITIES said discussions were in progress which may or may not lead to a significant expansion of the capital resources of the company, as well as a general offer for its share capital.

Hazlewood Foods Haziewood Foods has acquired Maharry Holdings for an initial consideration of 153.79m (£3.58m). Based in the Irish Republic, Maharry has four trading subsidiaries all in

pany, as well as a general offer for its share capital.

FINLAN GROUP's board has confirmed that negotiations are at an advanced stage for the acquisition of a private company, and further details will be released as soon as possible.

Dublin.

Pre-tax profits of Maharry and its subsidiaries for the year to March 31 1986 were £919,000 and net assets were £2.1m.

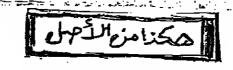
Consideration will be satisfied by £950,000 cash and the allotment of 1,787,652 to the vendors who will retain 1,191,768 shares Dublin

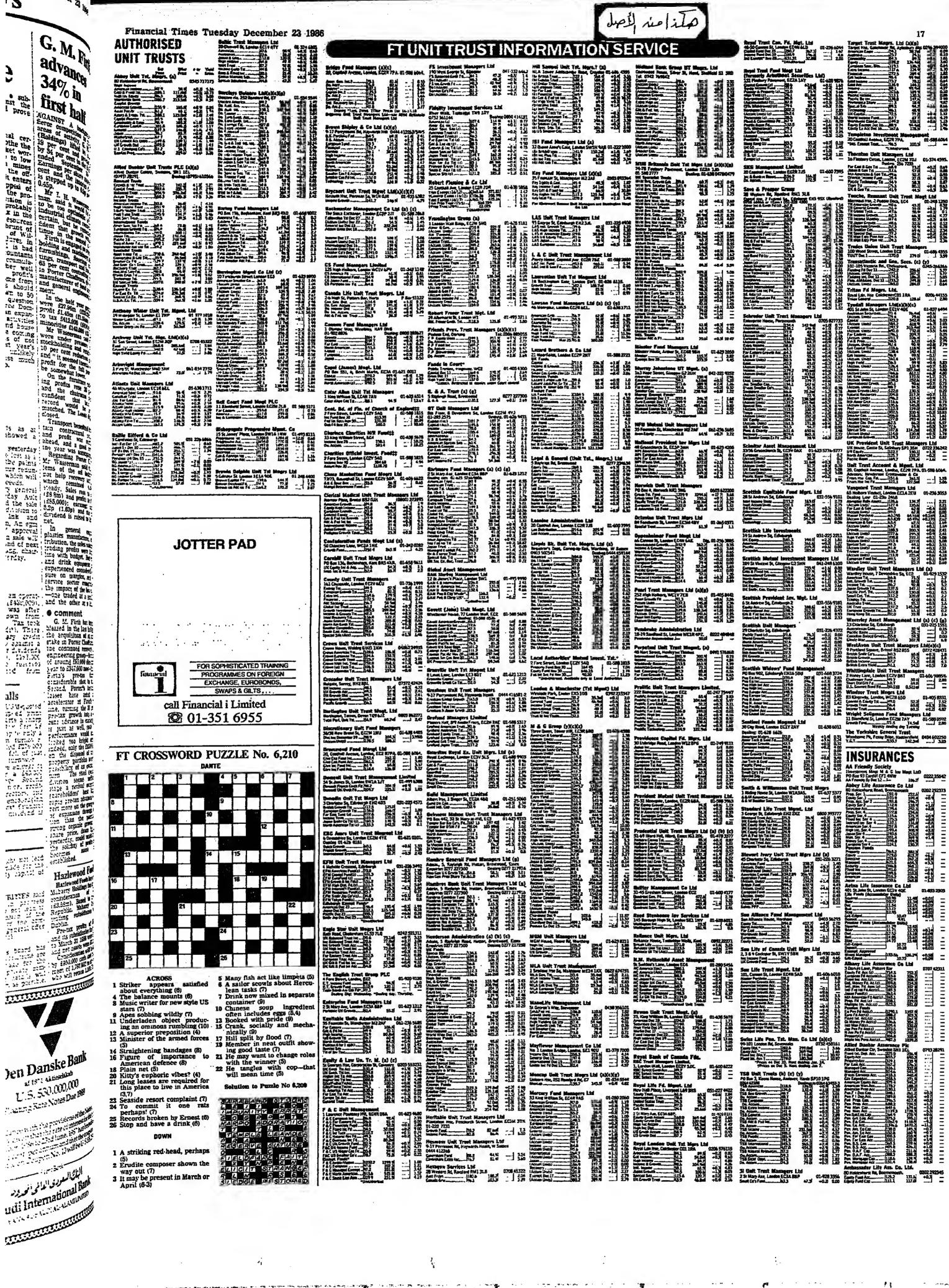


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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 23rd December, 1986 to 23rd June, 1987 has been fixed at 6% per cent. per amum and that the coupon amount payable on Coupon No. 10 will be U.S.\$8,294.27.

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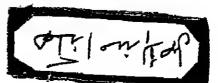
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COMMODITIES AND AGRICULTURE

Non-members expected to Malaysia back Opec output cuts

produce below peak levels.

Malaysia is likely to shave some 35,000 harrels a day from current output of about 450,000 barrels, while Norway is expected to announce in Jenuary a cut of about 80,000 to 100,000 barrels a day from its current production of about 1m h/d. Until now Norway has curtailed exports by increasing Government stock levels, under a temporary errangement that expires at the end of the month. However a cut in Norwegian prodoction is unlikely to do then stem what would the price recovery from below that the price recovery from below the price recovery from the p However a cut in Norwegian production is unlikely to do more then stem what would otherwise have been sharply escaleting production, brought ebout as new fields come on stream. By contrast, in the UK, the Government is not expected to propose any cut in output,

NON-OPEC members yesterday to about 1.4m, is expected to busy oil broker yesterday. appeared likely to add their hold present levals steady, of the mood was echoed on the own production cuts to those egreed over the weekend by the producers' cartel. Indirectly through the involuntum movements large. On London's large, on London's larg Both Norway and Malaysia are expected to announce restrictions to their oil output early in the New Year, while countries such as Mexico and the US are likely to continue to produce below peak levels. nerally the more optimistic

> In the early moring Brent prices leapt by \$1.50 while in New York price rises were limited to \$1, so for much of the day the price of Brent, generally about 70 cents lower than the price of West Texas Intermediate, traded at a premium to WTI of about 20 ntermediate, traded at a prentermediate, traded at a prentermediate, traded at a prentermediate, traded at a prebroker said.
>
> On the New York Mercantile
> Exchange volumes were less
> heavy than expected. By the
> middle of the afternoon about

\$10 to \$15. Indeed the level of activity and the volatility in the price spoiled the festive arrangements which are generally the market's main pre-occupation at this time of year.

If he would ahid.

which will remain at the present
level of 2.5m barrels a day.

Mexico, which earlier this
yeer cut back its oil output hy
nearly 250,000 harrels a day

occupanion at this time of year.

The chap I had lunch with
free markets teach.

Just lower production, then
the price will be right,
we agreed we really should get
heck to the office," said one
mas, and to all, a good night."

defers trading of foreign tin By Wong Sulong in Kuala Lumpur

INDONESIAN AND That tin miners will he allowed to sell their tin on the Kuala Lumpur tin market from January 5 next movements large. On London's International Petroleum Exchange the price of gas oil ended \$4 higher at \$142.50 a tonne, after touching \$149.50.

While much of the trading was speculative, with so called "Wall Street Refiners" particularly active two major oil year, according to a KLTM announcement at the weekend.

Trading in Indonesian and Thai tin was originally scheduled to hegin last week, after Datuk Lim Keng Yaik, the cularly active, two major oil companies were seen buying cargos of Brent for delivery in Minister of Primary Industries February at prices of around \$17.50 a barrel had given his approval, but the KLTM decided to defer it in "They seem to believe that the Opec fixed price will stick, and compared to paying over \$18 for Opec crude in February, view of the anticipated loss activity around Christmas and the New Year.

Mr Amin Zahari Nordin, the KLIM secretary, said the in-clusion of tin from Malaysia's neighbours would hroaden the market, and help confirm the KLTM as the main market in Asia, and the price reference point for the metal.

Since it resumed trading last February, the KLTM has been trading in Malaysian smelted tin, amounting to over 15,000

Meanwhile, Malaysian miners have expressed regret over Indonesia's nian to increase its tin production next year to between 29.000 and 31,010 tounes. They said Indonesia should try and maintain its production at the 1986's estimated production of 26.000 mated production of 26.0 tonnes in accordance with tenirit of discussions at the spirit of discussions Association of Tin Product ampur last month, in whi the seven ATPC member agreed to reduce production.

LANDAN	METAL EXCHANGE
WARE	HOUSE STOCKS
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Aleminium	+275 to	112,725
Copper	-4,925 to	179,190
Lead	-1,425 to	31,475
Nickel	+36 to	7,354
Tin	-615 to	39,385
Zinc	+1,500 to	18,406
	(ounces)	

fighting back is to remind the Chinese that "we have been a very steady supplier." A speech which Mr Jarvis delivered at

exporters. Canada has also lifted wheat sales recently to

Indonesia, Malaysia and the

Transport facilities ara run-

ning at full tilt to carry as much

of the crop as the board can sell. Shipments from West Coast ports reached a November

record, and loadings at the Great Lakes port of Thunder Bay have also been at all-time

highs. In an unusual step, the Board plans to rail grain to

elevators on the lower St Lawrence river after ice closes

the Great Lakes to barge traffic

in early January.

Even if these efforts are suc-

cessful, the Canedien Govern-ment can expect pressura to

give even more generous assistance to farmers in 1987.

This season will almost cer-tainly end with a huge carry-ovar of 20m tonnes or more.

Barring e disastrous crop some-where else in the world, a

normal crop on the prairies next season will tax farm stor-

age facilities, transport links and the Board's marketing skills to the limit.

On top of all that will be the tricky political decision of what

price to pay the farmers for their crop. Restoring senity to the international grain market is unlikely to be among Ottawa's

Philippines.

-- 120,000 to 23,000,000

India studies potash venture

BY JOHN ELLIOTT IN NEW DELHE

INDIA IS considering taking a 20 to 25 per cent equity stake in a \$400m (£280m) potash mine planned in Manitoha, Canada, jointly hy Canamax Manitoha's Minister of Energy Resources and the Provincial and Mines. But no decision will be taken until a technical Government, which has also been looking for finance in China, Brazil and South Korea. This would be India's first such foreign investment on a large scale. It is being backed hy India's government-owned Minerels and Metals Trading Corporation (MMTC) in order to help secure supplies in the 1990s when the current world surplus of potash may be

But the MMTC is insisting that Indie's share of the \$250m equity should be provided in the form of Indian-mede equip-

turning Canada from an inno-

cent victim into a full-blooded

participant in the ferocious subsidy war being waged in the

While insisting that they can-

not match the largesse of the US and EEC Governments, the Canadians have found the wherewithal for a determined

fight to protect existing markets and find new ones. "We are in this husiness for the long haul." Mr Esmond Jarvis, the

Commissioner of the Canadian

Wheat Board assured a group of Manitoba farmers last month,

"and we are not going to be muscled out by others whose

only solution to problems is to throw money at them."

duce only about 4 per cent of the world's wheat and 6 per

cent of its barley, they are among the leading exporters of both products, accounting for 17 per cent of wheat shipments

Ottawa has recently joined tha big lasgus of subsidisers. The Federal Government an-

nounced earlier this month that

it will pay grain farmers an average of C&5,000 (£2,560) each to compensate them for low international prices. The total programme is worth

The Government will almost

certainly have to dig into its pockets again at the end of this

season to cover an expected deficit in the wheat and barley

match revenues with payments

almost two decades, follows

Ottawa's decision earlier this year to guarantee an initial pay-

ment of C\$130 per tonna for wheat and C\$80 per tonne for barley, in the face of Wheat

The shortfall, the first in

While Canadian farmers pro-

international grain trade.

Manitoba's Minister of Energy and Mines. But no decision will he taken until a technical and economic feasibility study is completed next June, after which the plans would have to be vetted by various Indian Government departments. India imports about 1.5m

A RECORD harvest and the ments were not justified by in- will reach 27m-29m tonnes.

hundred million dollars.

is expected to run into several

In addition, the Western Grain Stabilisation fund, a type of insurance scheme funded by

contributions from producers and Government, is about C\$200m in the red. The Govern-ment will have to make up the

Mr Michael Wilson, the Finance Minister, has yet to disclose where he will find the

money for these support programmes at a time when Ottawa is trying to hold down the budget deficit. But the Government is under Govern-

ment is under intense political pressure to help prairie

economy is already reeling from

resent the attention which Ottawa has recently appeared

to lavish on the more politically powerful provinces of Ontario and Quebec. The C\$1bn aid package was first mooted during

in Saskatchewan last sutumn.

provincial election campaign

Canada's determination to

remain competitive in world grain markets is given special

urgency by a record 52m tonne crop (of which 30m tonnes is

wheat and 13m tonnes barley),

12 per cent above the previous higgest, which was reaped in 1982.

Only about 15m tonnes is

consumed locally, leaving 37m tonnes for export. The most

that Canada has ever shipped oversaas in one season in the

past is 31 m tounes.
The Wheat Board, farmers

the blow of low oil and gas 1924/85 prices and Westerners deeply 1923/84

Canedian

Western

farmers.

cyclical investment.

Mr Parasiuk said the province had sufficient reserves to provide 2m tonnes of muriete of potash annually for more than 30 years. However Manitoba does not have the financial resources to go ahead with the project until it find foreign in-

30,000 lots had been traded, less than half record levels. In-deed, Mr Peter Beutel, from

Elders Futures had time to compose the following lines:

"King Fand's 18 dollars is

If he would ahide by what

The project would be run by the Manitoba Potash Corporatonnes of potash a year and tion, 51 per cent owned by this is likely to rise to over Canamax resources, a private 2m tonnes hy the early 1990s. sector company, and 49 per cent tonnes a year from Manitoba. whose share would be partially At present the world's total distributed among customers annual potash production is who became investors. India 28m tonnes, 4m more than total would probably be the largest 28m tonnes, 4m more than total would probably be the largest consumption. But with world of these investors if it went consumption rising at 800,000 shead, China, Brazil and South ment for the project such as fonnes a year, the Manitoba Korea have been expressing an dump trucks, excavotors and Government believes the pro-interest in possibly smaller mechanical shovels and not in ject is viable now a counter-stakes.

require a combination of aggres-

sive marketing, a smooth

transport system and, as usual,

CANADIAN WHEAT

(million tonnes

Output 30.0

18.1

23.0

23.2

20.9

16.4

Source: Canadian Wheat Board

China, total grain exports so for this season are about 600,000 tonnes ahead of 1985.

Allowing for the premium normally paid for hard, highprotein prairie wheat, the
Board has apparently matched
prices offered by the US and
EEC. Mr Murray Cormack,
chief executive of Manitoba
Pool Elevators, a leading
farmers' co-operative, aays that
the Board "has dona a good job
of heing aggressive in tha
marketplace."

Canada has also played

17.1

21.3

15.6

Canada joins in the grain subsidy war

BY BERNARD SIMON, RECENTLY IN WINNIPEG

1985/86

1982/83

1981/82

1980/81

Estimated.

LONDON Markets

COPPER provided the main interest on n generally quiet London Metal Exchange yesterday. Freer availability of nearby supplies and stronger sterling against the dollar pushed prices lower, in spite of a substantial cut in LME warehouse stocks last week. The cash price closed £12.50 down at £923.50 a tonne, the down at £323.50 a tonne, the lowest closing level for nearly three weeks. In contrast tight nearby supplies steadied the lead market and the cash quotation closed at £361.50 a tonne, regaining £2.50 of Friday's £13 decline. The

day's £12 decline. The shortage of nearby supplies was reflected in a widening of the cash premium over three months lead from £27.50 to £31.25 a tonne. The seft commodity markets were also generally quiet, the most notable mevement being March coffeet £150 fail to £175.750 a tonne which £1.767.50 a tome, which halted a modest rally over the last few days. Dealers attributed the renewed downtrend to sterling's strength and speculative selling. But they said conditions remained

very quiet with the approach of the Christmas break. LME prices supplied by Amalgamated Metal Trading. ALUMINIUM

LOI	HILLIOM	
	Close (p.m.) — E per tonge	HighiLow
sh nonths	783-4 -6.5 799-9.5 -5	79E(792 200)736
98-90) rtiemen	closing (etc): Car three mouths 799-9. t 783 (790). Final K (umover: 7,850 tool	5 (803-4); Brb Closs:

sti	COPPER					
the	Orade A	Unoffic'	+0	High:Lov		
ng ala	Ossh & months	9154 943-4		\$22,5,922, 94,0,943		
ers	Official cl (933-3.5); th 3); settleme Close: 943-3	T BOO.5	he 949-	9.5 (952. 5		
-	Standard Cash 5 months	895-8 921-3	9.5	926		

Official closing (sm): Cash 500-1 (903-4); three months \$25-6.5 (929-31); settlement 909 (904). US Producer prices 63-65 cashs per pound. Total turnover: 26.275 tooses.

LEAD

	Unofficia ciose (p.) £ per	torme	Mightlaw
esis months	361-2 330-80.6	+2.5	355 352/328
365.5-6) .5); est	100 m 100 m	Tupich	Cash 306-7 0.5-1 (332- Final Karb er: 4,850 costs, gar

NICKEL

	Unofficial + pr store (p.m.) - High.f.out # per knooe
ash mot	9452-5 —\$1.6 the 9510-5 —19 3575-9495
(2496-9 5): set	ai closing (sm): Cash 2400-5 O): three months 250-1 (2540- themant 2465 (2490). Final kerb 2510-15. Turnover: 582 tonnes.
that	(Unotificial + or

e	some luck.	which Mr Jarvis delivered st	grade	£ per to	nne	
y	There is widespread confid-	last month's international grain	LESSIT	580-1		582/561
3	ence that foreign customers	congress in Jakarta dwelt	3 months	1556-7	+0.75	558/558
	will buy more Canadian grain	almost entirely on the con-	Official	closing (am): Ca	ab 581-2
	than last year. According to Mr	sistency, high quality and wide	(581-2): 1	ares months	567-8	(5 57-5):
e	Jarvis, "We're not complaining	variety of Canadian grains.	Seriement	582 (582). Fi	nel Ke	rb Close:
	about share of market. We're	One trader ascribes a recent	552-3. Tu	THOVER 9.05	O 1011	mos. US
e	holding our share." Thanks	surga in Canadian wheat sales	pound.	multiple 414		
0	mainly to higher barley ship-	to the Soviet Union to a "solid				
e	ments to Saudi Arabia, Japan,	customer relationship," with	TIN			
3 -		fewer political considerations		Proper Tie	-	de Pierre
ם		than the Soviets' ties with US	78.63 [16.B	4) ringgft pe	ku. C	10 on 0.01
ĸ		exporters. Canada has also	ringpit pai	kg.		

TIN

Kusts Lumpur Tin Market: Close 16.63 (16.64) ringgit per kg. Down 0.01 ringgit per kg.

GOLD

Gold rose 5% to \$3939-394 on the London bullion market yestenday, it opened at \$3835-394% and was fixed at \$395.35 in the morning and \$394.15 in the attarnoon. This metal touched a low of \$3924-393 and a high of \$387. 397's on apeculative buying as a result of the Opec production agreement. GOLD BULLION (fine ococe) Dec. 22

GOLD AND PLATISTIME COINS (\$2514-255) (\$2794-262) (\$274-2754) Ly Krug... \$800-901 Ly Krug... \$108-103 Auge!..... \$402-405 110 Appsi \$401-401₂ New Sov... 683-95 Cid Sov... 593-9-95 9 20 Eagle 430-480 Nobin Piat \$495-504

SILVER

Silver was fixed 0.2p as conce higher for apot delivery to the London buillion market yesterday at 375.15p. US cent equivalents of the fixing levels ware: apot 540.75c. up 8.25c; six-month 549.1c, up 3.9c; six-month 568.9c, up 3.5c; and 12-month 573.45c, up 4.70c. The most opened at 3724-374p (637-539c).

per troy oz	Buillon Fixing Price	+ or	p.m. Unefficit	+01
months months	395.00p	12.05 14.05 18.04 18.04	372,5p 382,5p	-3.5 -3.5
LME-TU	(mover:	0	(6) lots	œf

Soyabean Meal

	close	-	enob
eb pril une ugust ctober	£ per torine 155.5-126.5 126.5-126.5 127.5-126.0 127.5-126.0 127.6-126.0 127.6-126.0	-0.75 -0.86 -0.25 -0.50 -0.46 -0.75	111111
Szles: 0	(146) lots	of 20	torites.

LIVERPOOL—Spot and alignment sales for the week communiting Pecember 15 amounted to 871 tennes against 1,331 tonnes in the previous wask. Fair operations brought business in Peruyan, Chinese, Turkish and North and West African growths.

US MARKETS

CRUDE OIL fatures opened

expected, reports Drexel Burnham Lambert. The big question now is whether or not the world price can hit \$18 a barrel, and yesterday's action reflected that concern. Good trade and commission house baying saw prices rally early in the session before commission house selling and profit-taking, perhaps with the fear that the market may be overhought, coupled with the underlying gap on the chart's between \$16.90 and \$17.24, bests March, depressed values. On the metals, gold, copper and silver all followed crude oil, but once crude's advance faltered, they tended to drift lower on profit-taking. Gold failed to make headway towards the significant resistance area commencing at \$404, basis February, but held above the support at \$252. Copper opened steady but mixed selling touched off stops to push prices lower than friday's close. Platinum intures sold off as speculative selling emerged, but significant scale-down support was noted, which held the decline. commission house selling and

NEW YORK

May 56.55 56, July 56.55 56, Oct 56.53 56. Dec 58.35 56. May 57.30 CRUSE OH. (LIGHT) 42,005 US gellons, \$

Copra :Phil: \$250 \$250 Soyabean (U.S.) \$145 \$2.54	Dec	50.05	80.10	1.0
GRAINS	Jac	80,25 50.45		
Barley Fir. Mar. £115.20 -0.35.2114.30 Maite £142.00 £147.50 Mo. 2147.50 Mo. 2 Hard White. £112.65 -0.36.213.50 Mo. 2 Hard White. £112.65 -0.36.213.50 Mo. 2 Hard White. £1489.5 £1467.5 Coffee Ft. Mar. £1459.5 £2116.5	Blacch blay July Sopt Doc Just Black	50.80 50.95 61.15 61.35 81.55 51.70	50.75 50.75	\$0.3 \$0.7
Cotton A Ind. 61.80c -0.3 03.30c	C000/	16 ton	108, \$/to	nne_
Gas Ci: Fab. 4142.3744 1725.76 Burber (kilo) 54.75p -0.26 53.5p Sugar rawy Woottops 54s 42h kik	Dec Manufa May July Sept March	Close 1972 1879 1905 1927 1949	1995 1915 1938	190 190
I UNCLEAR IS SEEL WIND. WIND-MARKET.	COPPL		,500 th,	CAUTA/
	March	Class 128.72	High 129,50	139,4

COFFEE

Persistent	commis	olon hou	on walking
Persistent rept levels	depress	ed in the	e trading
codinors.	Labour	Drenal	Bureham
ember. A	STREET N	TOTAL YEAR	cions on
riday. The	London	market i	zon bisos
raintain va	-	Sight co	-mission
COURS SELLIN	a stovety	ereded a	th Lague"

INDICES

Dec 19 Dec 18 Mth ago Year ago

1647,5 1645.7 1608.1 1775.9

(Base: September 18 1831 = 100)

Dow Dec Dec Mith Year

Spot 115.84 115.86 - 194.12 Fut 114.88 115.31 - 150.46

(Base: December 31 1931 = 100)

MAIN PRICE CHANGES

Free Market SITS TB -18 SITS TB

Nickal 168 180c 1664184 Free Mit. 168 180c 0.5 \$218.29 Pathedium 0Z \$118.50 0.5 \$218.29 Pathem 0Z \$483.25 -1.55472.5 Quicksilver \$150/189 \$1896/17 Silver troy 0Z 375.15p +0.50371.20 6 mits 584.85p +0.85381.55

REUTERS

DOW JONES

OFFEE	Ymoterds cione	*	+ 04	Done		
	1790-96 1766-70 1790-96 1690-50 1840-50	11777	14.5 8.0 18.5 18.5	1885.17 1805-17 1815-17 1835-18 1855-18		

	Vesterday's	+ 0	Strethone.
COCCA	C per tonne	-	Done
÷	1400-1403 1485-1436		1449-1488
EY	.) 1457-1458	-80	7464-7458
Dt	1481-1483 1502-1503	4.0	1468-1480 1508-1502
	15581-1538 1558-1559		1565-1580 1565-1580

(CCO indicator prices. Daily price for December 22: 89.76 (86.38); Sveday everage for Occember 23: 83.38 (89.28) US cents per pound, Daily price 1638.60 (1638.64); 10-day everage 1637.57 (1638.78) SDRs per tonne.

POTATOES

The drifted interest Harper.	narkst op lower in ti or directio	emer in	d unchi voluma reports	nged but with little Coley and
Month	Yesterday	4	ciose	done
	£ ~	* *	NR. 70	

107.50 108.30 151.70 152.90 155.00-151.30 170.30 171.50 171.50 176.50 56.00 | 86.50 17.80 96.50 100.00

GRAINS

WHEAT			BARLEY		
Math	sterday's	+ 07	Yest'rdy-	f-or	
Mar May July Sep, Nov		-0.88 -0.88 -0.86 -0.66 +0.04 +0.04	116,20 114,55 100,20	0,55 0,55 0,20 0,05 -0,06 -0,66	
9.80, A July, Salas; Jan 11 114.55,	Asr 112.85 Sapt. No 1,187 lots 0.65-10.45	-2.65, w and of 100 , Mar raded,	May 115.2 Jan un toness. 113.25-3.2 Nov 103.0	0-5.10, treded, Barley; 0. May	

untraded. Sales: 414 lots of 100 tonnes.

LORDON GRAINS—Wheat; US dark northern apring no 1 15 per cent Jen 105.75. Feb 105.50. Mer 105.75. US no 2 soft red winter Dec 107.75 zellera. French 11½-12 per cent Dec 140.50. English lead fob Jen 114.75 buyer, Jan/Mar 115.76. April/Juna 118.25 ealers. Making US no 8 yellow/French transhipment east coast Dec 142.00. Barley: English feed fob Jan 115.00/115.50 buyer/sellers. Feb 115.00 buyer, Jan/Mar 116.00 seller Scottish, 117.00 English.

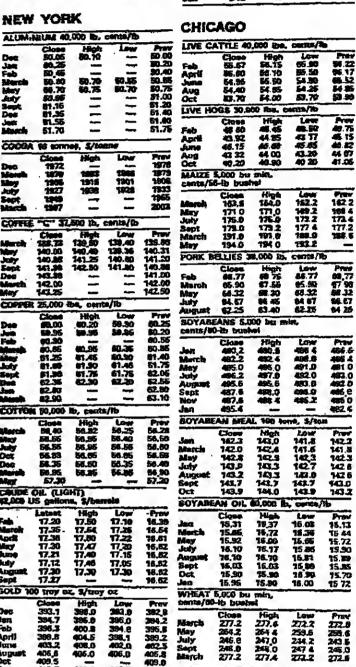
HGCA.—Locational striam spot prices. Feed beriey: Eastern 110.00, E Mids 111.00, Ecotional 107.20. The UK monetary coefficient for the week beginning Monday December 29 (based on HGCA calculations using four days' exchange rates) is expected to be unchanged.

RUBBER

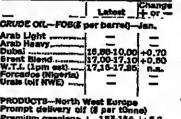
PHYSICALS — The Market opened querty steady, attracted fittle interest throughout the day and closed very quest, sports Lawie and Peet, Closing prices (buyers): Spot 64.79 (65.00p); Jan 62.75p (63.00p); Feb 63.00p (63.25p). The Kusta Lumpur tob prices (Malaysian cants a kile): RSS No 1 220 (219.5) and SFM 20 192.5 (200). FUTURES—Index 659, Jan 665-675, an-Merch 670-680, April-June 680-690, uly-Sept 686-701. Sales: Nil.

OIL

1000 Len 100.00 123.40 120.24 137.50 120.36 120.60 121.80 133.80 121.75 122.66 PLATINEM SO MAY OF STATE OF Close \$36.7 \$39.0 \$47.6 \$44.0 \$49.5 \$54.8 \$60.7 \$69.3 \$72.6 \$72.6 BP4.0 SURAR WORLD "11-5-30 6-30 6-30 6-45 6-45 6-71



382,8 384,8 389,2 462,5 465,8 409,0 412,6 478,2 424,0 405,0 413.5 417.1 424.9 409.9 413.5 416.4 SPOT PRICES—Chicago loage lard 14.00 (mans) cents per pound, Handy and Hannan silver builled 536.5 (536.0) cents per troy ounce. Latest | Change SUGAR



Premium gasolena | 152-156 | + 5.6 Gas Oll | 135-187 | + 5.5 Heavy fuel oil | 90-93 | + 9.5 Naphtha | 140-149 | + P **GAS OIL FUTURES**

US 4

138,26 148,26 143,00 140,26 169,00 139,76 Turnover: 5,484 (4,928) lots of 100

HEAVY FUEL OIL

Month	Yest'rdy's close	+01	Business Dons
	US S per tonne		
Feb	88.00 67.00 88.00	+5.00 +3.50 +4.00	88.00-87.80 30.00-87.00 - 88.00
Turno tonnes.	ver: 20	(112)	lote of 100

MEAT

MEAT COMMISSION—Average lat-stock prices at representative markets. GB—Cattle 94.35p per kg lw (+0.05), GB—Sheep 229.85p per kg est dew (+12.54). GB—Pigs 80.00p per kg lw (+3.03). FUTURES Pigs: April 95.00, Aug. 96.00, Reles; 8.

TEA

Thirty one thousand one hundred and fifty two peckages were on offer at the London toe auction, lactuding 1,600 packages in the offshore section, reports the Tea Snokers' Association. Assems continued to meet good competition and although plainer ants ahed 2-3p, coloury mediums were strong and often pained several pence. A few brighter Gengladesh tees edvenced but beaser verteties lost pround. Selected best liquoring East Africans held values but the femainder were 2-4p easier. Central Africans followed a similar pattern. Srighter Ceylon brokers met much improved demend and were substantially dearer but toes experied rather limited anguiry. Quotatians: quality 175p a kg. nominal

(176p); medium 150p s kp (150p); low medium 111p s kg (111p).

PARIS—(FFr per tones): Mar 1134/ 1138, May 1172/1175, Aug 1215/1225. Oct 1245/1258, Dac 1285/1298, Mar 1326/1342.

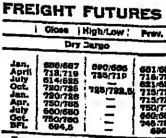
No. e Con- tract	Yest'rdy plose	Pravious	Speine
	S per		
May	287.2-187,4 141.4-141,6 145.8-145.8	189,8-148,2	. 101.9 14
Oct	149.8-149.8 152.0-154.0	148.8-148.4	149.6-14
Mar	162.0-165.0 189.0-171.0	181 0.154 B	
Highe		Con con	

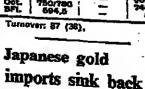
ripner oil prices prompted by process agreement atsended levels initially but tow fixtures and general book-aquarinp checked the raity. LONGON DARLY PRICE—Raw augur \$143.00 (1995.5). down \$3.50 (down augur \$171.50, down \$1.50. Si So.

Salas: 2.186 (2.951) lots of 50 tonnas.

Tata and Lyla delivery price for granuleted basis augar was £202.00 a tonna for export.

International Sugar Agraement (US cents per pound lob and arowed Caribbash ostra.] Prices for December 18: Only price 5.36 (5.49): 15-day average 5.80 (5.84).





JAPANESE GOLD imports, excluding coins, fell steeply to 8.75 tonnes in November from 70.25 tonnes in October and 22.21 tonnes a year earlier, Finance Ministry customs cleared trade statistics show.

Trade sources said the decline was due to completion of Government imports in October for additional coin issues next year to commemorate the 60th year of Emperor Hirobito's reign. Cumulative January-Novem

her imports were a record 569.3 tonnes against 171.3 a year

Disease and weather sap maple syrup supplies BY DAYID OWEN IN CHICAGO NORTH AMERICAN maple tutionalisation of the high

Board advice that such pay- present is that foreign sales extend its export enhancement highest priorities.

syrup consumers, already paying through the nose for their favourite hreakfast time delicacy, dua to the poor 1986 barvest, must be worried by reperior emanating from New England, and parts of Canada indicating that a large num-ber of sugar maple trees are sickening.
In Quebec for example,

where 90 per cent of the Canadian crop is prodoced aeriel surveys conducted hy scientists are reported ta show that up to 32 per cent of the trees are in decilue. A similar, though less widespread, picture has been

observed in Vermont, the largest US maple syrup pro-ducing state. "I could show yon sections of bush around here that look very sick," says Mr Mel Tyree, a member of the University of Vermont hotany department which is investigating the problem.

"We suspect atmospherie polintion," he adds, "but the jury is still out: we don't have enough facts to be

recover to prevent the insti-

prefer. decline, the maple syrup eat-ing public will be boping that enough trees will survive or

and traders are confident that exports in the season ending heavily on its reputation for next July 31 will comfortably strict quality control and exceed the 24m tounes shipped dependability. Referring to tumours that the US plans to

prices they have been faced with throughout the year. Retail prices are said to have risen to \$30 to \$35 a gallon, up from \$22 to \$26 a year ago. In addition, a higher than usual proportion of the syrup produced has been of the dark, so-called Grade C variety, rather than the premium lighter grades which customers traditionally The reason for the price blke is not hard to pin down. days with the temperature Vermont maple syrup ontput plummeted this year to 338,000 gallons from 525,000 just above freezing, which

in 1985. Similarly, in New York the second largest US producer, output dropped to 262,000 gallons from 315,000 a year ago. In fact, experts state that unseasonably warm weather conditions in the north east during the key March harvest period were far more to hlame than sick trees for the decimated crop. Ideal syruping weather, they add, would be a sequence of fresty nights an decol sunny

would induce the sap to run.

Three months final kerb 381-3a.

COTTON

February Brent opened \$1.50 up on risustools close to trade at \$18 early in the morning but seen softened to trade eround \$17.40 for most of the day, february WTI upsned Stc up on Nymer sad traded SSC up at 1.30 pm EST. In the petroleum products market

LIFTE LONG GILT PERSONES OFFICES

Mark Collinguate C

Close High Low Prev. 111-06 — — 109-31 111-tt 111-12 110-26 115-05 111-15 — — 110-09

16-52

lese iRgb Lov 5-48 — 5-52 5-52 96-52 sine 1 (30) spen int. 213 (213)

Clote High Law 86 vo 88,73 86.57 89.26 89.27 89.26 89.29 89.39 89.37 89.28 89.27 89.29 39.06 ed Volume 2.056 (237) 6 day's Open Inc. 14,251 (14,165)

Close High Low Prev, 144,65 164,65 163,90 162,80 147,30 167,25 166,40 165,50 mixed volume 1,042 142,31 Hops day's open but, 3,754 (3,707)

High 93.92 93.94 93.85 93.65 93.31 93.80

Sept. 92.68 Estimated volume 2,372 (3,835) Previous day's open (nt. 21,405 (21,143)

March 99-17 99-17 99-00 97-13 June 98-20 — 98-16 Estimated Volume 1,112 19651 Previous day's open int. 3,221 (4,254)

Spot 1-mgh. 3-mm, 6-mm, 12-mgh. 1.4420 1.4306 1.4270 1.4103 1.3005

Latest High Low Prev 14285 1.4300 1.4273 1.4160 1.4110 1.4135 1.4060 1.3985 1.39658 1.3980 1.3900 1.3820

Close High Low Prev 1.4200 1.4300 1.4300 1.4175 1.4113 - 1.4003 1.3955 - 1.3850 at dayls upon int 959 (959)

CURRENCY FUTURES

POUND-S (FOREIGN EXCHANGE)

LIFFE-STERLING £25,000 \$ per E

MM-STERLING So per £

U.S. TREASURY RONDS 8% \$190,000 32nds of 100%

Pate-Mar 0.00 0.02 0.06 0.16 0.30 1.13 2.11 2.11

2009 019 0.15 0.59 1.31 2.16 3.14 4.25

Feb. 0.05 0.05 0.50 2.50 4-40

LONDON

10% HOTIOHAL SHORT SHLT Cloopoo 640s of 100%

PT-SE 100 INDEX

. necember 2 p

ETS

strong as a Drevel Line hig bitcher or see can hit yesterday's at concern commission prices rally mich before selling and haps with sarket may

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d to make the significant area area above the

par mixed

on stons to

Platinum
Speculative
but significance
support was

the decition

5.20 5.11 6.17 45 6.60 6.16 6.16 6.16

CHICAGO

LIVE CATTLE 40/00 to

Mayob 183.6 kg 183.6

Frb Close No. 152 | 152 | 152 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 153

Close 480,2 480,2 485,0 486,2 487,6 487,6 487,6 487,6

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142 KI 147 KI 1519 WI

Close Ha h 15.31 15.31 15.31 15.55 15.32 15.31 15.52 15.31 15.31

SCYABEAN ON MARCY

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SUGAR

4/27mg -- 37:

* 23 TO 10 T

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UTURES

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SHEER SHEET

RE-WINGS

Dollar weak in quiet trading

THE DOLLAR continued the down-qued trend begin in the US on Friday. Seiling of the US currency was apprised by forward trading on the International Menetary Mariest in Chicago before the weekend. It fell below DM 200, and there was insufficient compareral demand in formal memoritas in masses the Europa yesterday to reverse the situation. There were no new facsituation. There were no new fac-tors, and dealers seemed surprised at the extent of the dellar's decline. Economic fundamentals were ex-pected to puti the dellar down in the New Year, but it was generally felt that technical demand, to aquaye books abead of the holiday period would prevent such a sharp fall. Trading was this end volatile, with the agreement at the weekend by the agreement at the weekend by ministers from the Organization of Petroleum Exporting Countries, to

Petroleym Exporting Countries, to cut oil production in an attempt to boost prices, having only a limited impact.

The doltar felt to DM 19780 from PPr 8.3725; to SFr 1 6505 from SFr 1 6945; and to Y162.75 from Y163.15.

On Bank of England figures the dollar's index felt to 102.9 from 110.8.

STERLING—Trading range against the dellar in 1986 is 1.555 to 1.3788. Nevember average 1.4258. Exchange rate index felt at in 681, campared with 73.7 six months aga.

Sterling failed to man any strong campared wire 73.7 bit months aga.
Sterilon thied to sano any strong
advantage from the Opec oil producilon agreement. This pound improved againgt the dellar, but lost
ground to the D-Mark and other
members of the European Monetary

E IN NEW YORK

Class Dec 22 LANGE 1.4310-1.4326 0.48-0.47 pm 1.65-1.62 mm 6.48-6.35 pm

STERLING INDEX

Dec. 22 | Province 48.5 48.4 48.5 48.5 68.5 88.5

CURRENCY RATES

Special Decial Service US Detar Connectors School Sch MARY SELECT 27114 36A 197,168 9,10055 162,139 8,32274 2,00852 167,599 84A

CURRENCY MOVEMENTS

143.9 166.5 131.4 71.1 48.4 204.4 +20.3 +20.2 +13.4 -12.4 -15.4 +51.4

Morgan Guaranty champus: average 1980-982-100. Bank of England Index 18ase average

OTHER CURRENCIES

System. Sterling tended to guffer because of the weakness of the weakness of the delar, while the market was also nor was also of indexy UK trade figures for November.

The pound gained 50 points to \$1.4415-1.4425, but fell to DM 2.5335 from SM 2

FFr 9.42; and to SFr 2.525 from SFr 2.6150. On the other hand sterling rose to Y234.50 from Y23.73. D-MARKE—Trading range against the dellar in 1985 in 2-4710 to 1-9000. November overage 2,6257. Exchange rate index 142.5 against 134.7 six souths aga.

The D.Mark rose against the delar in Frankfurt. The West German Bundeshank did not intervene when the dollar was fixed at DM 1.9658, compared with DM 2.005 on Friday. The US currency found temporary support at DM 1.9650, but then fell quickly to around DM 1.5650, in very quiet tryding, Dealers said the dollar's weakness could have been prompted by the liquidation of long positions against the Swiss franc. At the Frankfurt fixing the Swiss franc also Improved against the D.Mark, rising to DM 1.1807.

The West German trade figures tended to depress the dollar, for fear of further disappointing US figures. for November, on December 3L.
West Carmany's current account
surplus widened to DM 83ba in
November from DM 83ba in October. The trade surplus fell to DM 10.2bn from DM 10.7bn. JAPANESE YEN. Trading range against the dollar in 1986 is 202.70 to 152.35. November average 162.77. Ex-change rate index 204.0 against 205.7

change rate index 204.0 against 205.7 six menths aga.
The yen showed titue change against the dollar in Tokyo yesterday. The US currency closed at Y163.10, compared with Y163.15 es Friday. Trading was quiet shead of the Christmas hollday perfod, Dealers said the dollar and stering were supported by the Opec production agreement, but this was not a strong enough factor to push the currencies. agreement, duting was not a strong enough factor to push the currencies sharply higher. Reoction is Tokyo to the Opec accord seemed to be on a wait and see basis. Japan is a very large oil importer, but the refussi of iraq to join the agreement, led to hopes that the Opec goal of \$18 a barrel would be hard to achieve.

EMS EUROPEAN CURRENCY UNIT RATES

Dhergeno Nath % 1 1 5368 1 1 9403 2 1 1 127 1 1 3659 2 1 5059 1 1 5683 1 4 4734 43 1139 7.81701 2.11003 6.87516 2.57833 43 2885 7 87442 2 08027 6 82904 2 35174 0 764788 1443 03 +0 40 +0.73 -1.45 -0.64 -1.17 -0.02 -2.30 +1.06 +1.39 -0.86 +0.02 -0.44 +0.64 -1.95

Changes any for Ecu, therefore positive change Adventured calculated by Financial Tenant

POUND SPOT-FORWARD AGAINST THE POUND

1,341.49 pm 1,341.49 pm 44-45pm 54-45pm 64-51-50m 44-45-pm 224-332 db 10m-2 db 111-124- dm 34-35-pm 34-35-pm 34-34-pm 244-34-pm 244-34-pm 1 4415-1 4425 1.9666-1.9970 5.22-3.23 59.30-39.40 10.792-10.805 1.0495-1.0905 2.044-2.854 214.05-214.95 179.15-179.50 0.36-0.32; pm 0.52-0.41; pm 11-11-; pm 20-14; pm 11-14-y pm 0.15-0.30p dis 2,83 2,81 4.65 3233254 3233254 59.3040.00 30.794-10.90 10482-1.0593 2844-2.884 Payaged ...
Senio
tidy ...
Frants ...
Surgen ...
Jupan ...
Autra ...
Surgeria 213.77-215 14 143.15-194.72 1979-2001 20.84-10.894 9.354-9.44

Belgian rate is for competible francs. Pleanelist trans 59.95-60.05. Streamin forward stollar 3.25-3.20 c pm. 12-mouth 6.25-6.05 c pm. Correction for Doc. 19. US close 3.4323-3,4335. Japan close 2394-2344

Bet. 22	Day's spense	Close	One mords	2	Three months	* 2
UKT	1,4570-1 A450	14415-14425	0.36-0.32c pm	2,83	1.53-1.48 pm	4
ireland?	1.3603-1.3745	1.3735-1.3745	0.70-0.60c pm	5.73	2.45-2.30 pm	6.9
Cwada	1.3755-1.3786	13770-13780	0.06-0.0%	-0.63	0.60-0.65 db	1.8
Mathertands .	2.2950-2.2590	22370-22380	0.35-0.2c per	1.60	0.35-0.25 pm	-0.5
Balalater	41.1041.59	41.10-41.20	1-3c dis	-0.58	11-15 dis	-12
Destroiterit	7.484-7.5612		4 ser-vort dis	-	44-44 01	
W. Cormany .	1,9760-1,9985	1,9775-1,9785	0.37-0.32mf pm	2.08	0.74-0.71 pm	2.4
Personal	1464-1464	1484-1484	95-120c dis		320-380 ds	-9.6
Soula	133,70-134,90	133.85-133.95	55-65c dis		175-205 dis	
13/7			3-5lire dis		14-16 du	
Norman	752-7584		5.40-6.00org dis		17.40-18.00ds	-9.4
France	6.481-6.55		0.60-0.90c dis		4.75-5.50 dis	-33
Sangelet	A #74-4.104		0.75-0.95 are she		5.40.5.70 ds	-33
	142.45-163.15	142.70-162.60	0.59-0.54y pm		2,00-0.90 pm	2,3
	13.99-14-07	13.93-13.994	3.90-2,70mg gm	2.65	5.25-3.00 pm	1.18
ledroristd	1.6570-1.6800	1.6590-1.6600	0.44-0.39c ma	2,97	0.91-0.86 pm	213

EURO-CURRENCY INTEREST RATES 10-10% 617-65% 71-814 63-61% 114-114 64-64 84-84 64-84 114-114 64-64 84-84 54-4 702-704 74-74 74-84 64-612 117,312 \$1,84 \$1,84 \$1,84 102-11 9-92 712-73 92-11/2 7-74 63-75 63-75 63-75 63-75 44.44 54.54 9.42 104.112 74.74 8.62 43.45 10.102 32.34

Long-term Eurodollars: Two years 67, -612 per cent; three years 71-77s per cent; low years 77-77s per cent; live years 77-77s per cent; live years 77s-77s per cent; live years 70-77s per cent; live years 71-77s per cent; live **EXCHANGE CROSS RATES**

Dec. 22 C S DM YEN F Fr. S Fr. H FR. Lira CS O Fr. £ 1 1.442 2.953 234.5 9.370 2.393 1.225 1.960, 1.967 59.35 8 0.693 1 1.978 1628 6.498 1.460 2.238 1.373, 1.378 41.15 0.506 1 82.21 3.285 0.839 1.131 694.1 0.696 20.81 6.149 12.16 1990. 59.96 19.20 15.75 8443 8.471 253.1 PH F Fr. 1.067 1.539 3.044 250.3 10. 2.503 1.442 2113, 2.120 63.34 5 Ft. 6.418 0.603 1.142 98.03 3.916 1. 1.348 627.4 6.830 24.81 N FL 0.310 0.447 0.884 72.71 2.905 0.742 1 614 0 0.616 18.40 1.00 0.505 0.728 1.441 118.4 4.732 1.208 1.629 1000. 1.003 27.97

FT LONDON INTERBANK FIXING (31.00 g.m. Dec. 22) 3 months U.S. dollars bld b 4 (Ofter b % aid 6 4 Offer 6 & The flating rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and effected rates for \$10m quoted by the market to five reference banks at 11.00 a.m., each working day. The banks are National Westmister Sank, Bank of Tokyo, Destache Bank, Banner Nationale de Parts and Morpan Couranty Trust.

NEW YORK

MONEY RATES

Year

114-113 67-612 87-87 57-6

March Sopt. Dec. March June

Trempury Bills and Bond
4.97 Three year
5.37 For year
5.66 For year
5.83 Seven year
5.90 10 year
6.33 30 year 71₂ 71₂ 71₄ 57₆ 67₆ Six Months 4.80-4.95 8-84 43-442 64-64 4.34375 111-12 73-73 134-14 4,704.85 8-81₆ LONDON MONEY RATES One Year 7 days 104-3 107-10% 1013-105 ij

Exchequer transactions which added £350m, a fall in the note circulation of £360m and the banks' reflected a feeling that the Bushances brought forward £10m above target.

The forecast was revised to a shightly higher interest rate forecast was revised to a shightly higher combat an over sale structure to combat an over sale structure months 10½ per cent three months 10½ per cent treasury 505; Average tender rate of sale sale state for sale structure to combat an over sale structure months 10½ per cent three months 10½ per cent; Treasury 505; Average todos cent three months 10½ per cent thre

FINANCIAL FUTURES

GRUT PUTURES improved in the London International Financial Putures Exchange yesterday on news of an agreement in Oper to cut The March long gilt opened at 119-31 np from 110-05 on Friday and touched n high of 111-12 before finishing at 111-11 Trading volume in US Treasury

0.02 0.06 0.16 0.38 1.13 2.00 3.25 4.57 5 Page

Strate Proce 1.35 1.40 1.45 150 150 165

95.80 95.80 95.50 95.75 94.05 94.50

99-06 98-06 47-07

95.07 94-10

94-07

0.6033 0.6067

96-17 -

High 94.72 94.76 94.72

99-24 99-24 98-23 97-22 96-22 95-22 94-24

93-02

3en. 9.40 4.60 0.90

Mar. 1193 0.47 0.47 0.29 0.15 0.06 0.02

0.01 0.02 6.05 0.11 0.23 0.30 0.40

High 0.628.9 2.154.0

93.92 93.94 95.85 95.85 95.86 95.01 92.66 92.31

Dec.

IAPAKESE YEN (IMM) YIZIM S per Y100

Latest 0.5068 0.5060

93.94 93.94 93.85 93.85 93.65 93.61 92.66 92.31

0.6205

0.505Z 0,5014

93.89 93.89 93.82 93.61 93.32 92.96 92.60 92.25

oil production. Values were marked up at the start and managed to fisish towards the day's high despute reservations about how well the new set of output quotes would be adhered to.

Mar. 0.05 0.25 1.10 3.40 7.30 2.73

CHICAGO

1.20 1.20 2.85 5.40 9.10 3.50 8.10

U.S. TREASURY BORDS (CRT) BY

96-17

touched a low of \$8.00 before fluishing al \$8-17.

Three-month sterling deposits were a little firmer, helped by the Opec sews The latter also helped to office some of the concern.

oil production. Values were marked up at the start and managed to fisish towards the day's high despite reservations about how well the new set of output quotas would be adhered to.

Trading volume was respectable, considering the proximity of Christman and the New Year and the day's first trend appeared to be little affected by starting's inability to capitalise on the news from Opec.

Trading volume in US Tradeury of ones to one to offset some of the concern about sterling's traditional performance in January. In recent years the pound has come under severe pressure in the New Year prompting a rise in each rates. The latter also helped to offset some of the concern about sterling's traditional performance in January. In recent years the pound has come under severe pressure in the New Year and the May's act in the US discount rate in the firmer trend appeared to be little affected by starting's inability to capitalise on the news from Opec.

20 | 6.70 87 | 4.15 47 | 2 6 | 1.50 120 | 1.50 131 | 5.50 151 | 8.50 87 8.50A 5.80 2.80 4.608 7.20 Series Price 15500 15250 16000 16256 14500 16756 17000 17250 17250 17250 17250 7.15 4.65 2.15 0.60 0.80 0.80 000 080 080 0.00 0.35 2.85 7.85 7.85 FI 85,50 ค.มไครถ LONSON SE E/5 0/7101 E12,500 (cont. per £1) Call-Feb. 930 440 120 -Last Planck 0.45 1.35 3.60 7.50 Prop. Feb. 0.25 0.65 2.45 ---9.60 5.15 2.55 1.20 9.60 4.70 1.75 0.65

ABN C ABN P AECON C AECON C AECON P AICO C A 7.540 1.540 1.540 1.540 1.140 Marking Canada a a section and a section and FI.161.10 F1.74.90 12724 2 2 2 4 2 2 0 97 5 8 4 2 4 1 2 9 1 4 2 9 5 FI.90.20 4.50 17.50 4.10 4.50 3.80 5.70 9.50 1.30 1.30 9.20 1.30 1.30 1.30 1.30 1.30 1.30 FI.49.20 FI_182 FL46.40 F1.40.20 FL82.50 485136 1725 F1.44.30 114 8 - Bid Anask C~Cz# **BASE LENDING RATES**

EUROPEAN OPTIONS EXCHANGE

Vol Last Vol Last Vol. Last

20

1224.10

Comes, Bk. Al. East Northern Back Ltd..... Hornich Gen. Trust. 11
PK Financia Gen. Trust. 11
PK Financia Trust Ltd. 12
Provincial Trust Ltd. 12
Pt. Raphsel & Sons 11
Roxborghe G'rastee 11½ Cygrus Popular Bk Duncan Lawrie Equator'i Tst C'p pic Exeter Tors Lad. Rayai 8k of Scotland... Bank Leona (USO _____ Bank Credit & Comm ___ Financial & Gen. Sec... First Nat. Flo. Corp.... Bank of Cypns Bank of Ireland.... Forst Nat. Sec. Ltd ... Trestee Savines Bok. o Robert Elemino & Co... Robert Fraser & Ptrs. Grindlays Bank Westpac B'airing Corp Whiteaway Laidlaw Yorkshire Bank 11/2 HFC Trust & Saviega... Voreshare Bank 11

Members of the Accepting Houses Committee. "7-day Geposits 6.59%. 1-mouth 7.03%. Top Tier—E2_500+ at 3 mouths' notice 10.03%. At call when £10.000+ remains deposited. \$Call deposite £1,000 and over 62% gross, § Mortgage base rate, § Demand deposit. 6.59%. Mortgage 124%. Hereahie & Gen, Tst...... # Hill Samuel

EWORLD VALUE OF THE POUND

ciez o e 'n Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rote, no direct quotation available; (F) free rate; (F) knowl on U.S. deliar partities and going sterling-deliar rates; (T) towist rate; (Bas) basic rate; (bg) beying rate; (Bh) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fin) fluorial rate; (esc) exchange cartificate rate; (no) non-commercial rate; (non) nominal; (a) official rate; (sg) selling rate; (c) controlled rate.

COUNTRY	CURRESCY	VALUE OF € STERLING	COUNTRY	CURRENCY	VALUE OF E STERLING	COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistas	Alghani	99.00	Ghasa	Cedi	230.9560	Panama	Balbao	1.4420
Albania	Dinar	10.18 6.67	Greece	Gibraltar £ Drachma	204.16	Papua New Guinea	Kima	1.3864
	(French Franc	9.37	Greenland	Danish Krone	10.8000	Paragody	Guarani	{346.20 {937.635
Andorra	Spanish Peseta	193.325	Grennita	E. Caribbene S	3.89	200	1-4	fexc(o)19.98
Angola slogan	Kwanza	43.16	Gnadeleupe	Local Franc	9.3700	Pero	Inti	28.49
Antiqua	E. Caribbean S	3.89	Guara	U.S. \$	1.4420	Philippines	Philippine Paso	29.10
Argentina	Austral Floris	1.7627 2.5956	Gostemala	Cayetzaf	(1.4420 (1F) 3.8602	Pitcalro Islands	(E Sterling New Zealand S	
Australia	Australian S	213	Guinea	Franc	489.60	Poland	Zioty Zeniana \$	2.7278 283.40
Austria	Schilling	20.105	Guinea-Biesau	Pese	245,49	Portugal	Escudo	214.50
Azores	Pertuguese Escudo	214.50	Guyana	Guyanese \$	5.76	Puerto Rico	U.S. \$	1.4420
Beharings	Baltama S	1.4420	Haiti	Equite	7.23	Reunion (sie de la	Qatan Ryai French Franc	5.2600
Bahrain	Depart 7	0.5450	Hondures	Lempira	2.885			9,4725 ((cm) 6,17
Balearie (slands	Spanish Peseta	193.325	Hong Kong	H.K. \$ Foriot	11.2655 66.8778	Romania	Leu	(IN/C) 15.21
Bangladesh	Take	43.50	Iceland	Icelandic Krene	58.7415	Rwanta	Rwanda Franc	121.66
Sarbados	Barbados \$	2.90 ((cm) 59.35	India	Indian Rupee	10.80	St. Christopher	E. Caribbean \$	3.89
Belgium	Belgian Franc	(Ini 60.00	Indonesia	Ruplah	2374.37	St. Helena ,	St. Helena E	1.0
Belize	8 3	2.8840)res	Rial	109.70	St. Lucia	E. Cambbean \$ Local Franc	3.89
Benis	C.F.A. Franc	468.50	1729	Iraqi Dinar	0.4444	St. Vincent	E. Caribbean S	9.37 3.89
Bermuite	Bermudian \$	1.4420	Irish Republic,	Punt Shekel	1.0500 2.15	Samoa American	u.s. \$	1.442B
Shuzas	Ngultrum Bojavan Peso	18.80 (012.753.280.0	Italy	Live	1980.0	San Marino	Italian Lira	1980.0
Botsware	Pula	2.6750	Ivory Coast	C.F.A. Franc	468.50	São Tomé & Principe Saudi Arabia	Dobra Saudi Ryai	54.33
Brazil	Cruzado	21.1230 (16)	Jamaica	Jamaican Dollar	7.2775	Sonegal	C.F.A. Franc	5.4138 468.50
Gritish Virgin Islands	u.s. \$	1.4420	'patrice	Yes	234.50	Seychelles	S. Rupee	8.60
Brunei	Brunel S	3.1655 1.2637	Jorgan	Jerdanian Digar	0.5040	Sierra Leone	Leone	(a) 48.50
Buriding Fase	C.F.A. Franc	468.50	Kampuchee	Riel	NIA	Singapore	Singapore \$	3.1655
Burma	Kyat	10.0258	Kenya	Kenya Shifilag Australian S	23,25 2,13	Somali Republic	Soloman Is. 3 Somali Shilling	2.8536 158.62
Burundi	Buruedi Franc	176.20	Korea (North)	Work	1.3555	South Africa	Sand .	(1Cm)3.2070
Camaroos	C.F.A. Franc	468.50	Korea (Soyth)	Wos	1235.525			(IFn) 6.4745
Canada	Canadian S	1 9665	Kowait	Kuwaiti Djene	0.42475	Spain	Peseta	193.325
Casary I glands	Spanish Peseta	193.325	Lass	New Kip	50.47	North Airica	Peseta	193,325
Cape Versie Islands Caynses Islands	Cape V. Escudo Cayman (sies. 5	128.727	Lebason	Lebanese £	100.4750	Sri Laoka	S.L. Ruper	40.90
Cart. Afr. Republic	C.F.A. Franc	468.50	Lesothy	Maketi	3.2078	Sodan Republic	Sudan £	3.605
Chad	C.F.A. Franc	468.50	Libra	Liberian \$ Libyan Dinar	1.4420 0.4610	Surinam	S. Guilder Lilangeni	2.5740 3.2070
Chile	Chilean Pess	300.715	Liechconstein	Swiss Franc	2.3925	Sweden	Swedish Krona	9.9250
Colombia	Renguable Yuan Col. Peso	5.3264 318.07	Lucerphoury	Luxersbourg Franc	60.00	Switzerland	Suriss Franc	2.3925
Comero Islands	C.F.A. Franc	468.50	Marzo	Pataca	11.4751	Syria ,,	Syrian E	Q.P. (T) (A)}
Congo (Brazesellie)	C.F.A. Franc	468.50	Madeira	Portuguese Escuéo	214.50			l(cm) 5.6599
Costa Rica	Colon Cuban Pesa	84.53 2.1568	Malagacy Republic	M.G. Franc	1037.60	Talwan	New Taiwan S Tan. Stilling	51.45
Cypres	Cyprus E	0 7360	Malawi	Kwache Ringolt	2.8120 3.7572	Theiland	Baht	72.85 37.40
4,54	QJAILS 4	((com) 8.20	Maidwe Islands	Ruflyra	10.0940	Togo Republic	C.F.A. Pranc	468.50
Czechodowakia	Kerpez	(T) 15.91	Mail Republic process	C.F.A. Franc	468.50	Tonga Islands	Palanga	2.13
1			Maka	Matiese & Local Franc	0.5370 9.37	Trinidad & Tebago	Trinidad & Tob. \$ Taxistan Digger	5.1912 1.2324 (sg)
Demark	Danish Kroner Dubouti Franc	10.8000 250.00	Mauritania	Oveniva	107.72	Turkey	Turkish Lira	1078.81
Dylbouti Republic of	E. Caribbean S	3.89	Maurities	Mauritian Ruper	19.075	Turks & Calcos Islands	U.S. \$	1.4420
Dominican Republic	Dominican Pesp	4.3652 (7)	Mexico	Mexican Peso	(iF) 1295,365 (c) 1282,32	Tuvalo	Australian S	2.15
		((a) 211.325	Miguelen ,	Local Franc	9.37	United States	Uganda Shijiling U.S. S	2000.0
Ecrator	Sucre	(F) 209,16	Морасо	French Franc	9.37	Uniquely	Uruguay Peso	258.835
Eggst	Egyptian £	ft.0094	Mongolia	Tugrik	4.8379	United Arab Emirates .	U.A.E. Olrhans	5.2983
	•-•	11.9550 5.4076	Morocco	E. Caribbean \$ Dirkant	3.89 12.50 (se)	USSR	Rouble	0.9771
El Salvador	Colon C.F.A. Franc	468.50	Mazambique	Metical	1A) 57.68	Vanuate	Vatu	165.60
Ethiopia	Ethiopian Sirr	2.9750	Namble	S.A. Rand	5.2070	Vatiças	(LaHan Ling	1980.0
Falkland Islands	Falktand Isles E	1.0	Nauro Islands	Australian S	213	Venezpela	Botivar	(41 6.20 (51 10.815
Farne Islands	Danish Kroner	19,8000	Nepal	Nepalese Rupee	30.82			(6) 29.45
Fiji Islands	F# S	16570	Netherlands	Guilder Antilikan Guilder	3.2250 2.5956	V (1)	Dong	10) 115.20
Fishand	Markita	7.0260	New Zealand	N.Z. S	2.7278	Virgin)slands U.S	U.S. S	1.4420
France	Franc C.F.A. Franc	9.37 468.50		Cordoba.	(1349.16	Western Samoe	Tala	(A) 3.20
French Guiana	Local Franc	9.37	Nicaragua		\(F) 3173.505	Yemes (North)	Rya)	(A) 14.80 (sgi
French Pacific Islands	C.F.P. Franc	165.00	Miger Republic	C.F.A. Franc Natra	468.50 (01 4.7407 (13)	Yernen (South)	S. Yemen Dinar	0.4939
Gation	C.F.A. Franc	468.50	Norway	Norwegian Krone	10.8550	Andoeranja	New Y. Dinar	656-84
Carabia	Dalasi	11.0	Oman Suitanate of	Rial Ornard	0.5560	Zaire Republic	Zaire	95.8930
Germany (East)	Osumark Countries Mark	2.8525 2.8525		Pakistan Ropee	24.65	Zambia	Kwacha Zimbabwe S	18.00 2.4150
Sermany (West)	Deutsche Mark	4.6342	Pakesian	Levisión undute	2-43		critomme 2	E.4130

#Rate is the transfer market (controlled). ## New one efficial rate. (1) Essential poods. (2) Preferential rate for priority imports such as foodstuffs. 14) Preferent Sector Debt and Essential Imports. (5) Preferential rate. 16) Fine rate for futury imports, remistances of money abroad and foreign travel. (7) Parallel rate. 19) Banknott for exports. (14) Nearly all butiness transactions. (15) Nigerg, December 18; Auction price for dollar 3.3166. (16) Brazili--1 cruzado equals 1,000 cruzeiros.

MONEY MARKETS

UK rates show little change

Japane

imports set

Apartic feel

Apartic f between a high of 10% per cent and a low of 3 per cent.

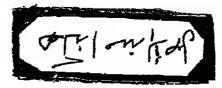
The Bank of England forecast a shortage of around £150m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £817m. These were partly offset by Exchequer transactious which added £350m, a fail in the note circulation of £340m and the banks' balances brought forward £10m above target.

Christmas and the year and in the London money market yearends. Some period rates disped slightly on news of the possibility of higher cil prices and also a benter showing in the opinion polis by the Conservative Party. Three-mouth interbank money was quoted at 11%—11% per cent. Overnight money traded

UK clearing bank base lending rate 11 per cent she help came to £30m, before taking interpolity prices and also a benter showing traded a low of 3 per cent.

The Bank of England forecast a shortage of around £150m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £347m. These were partly offset by Exchequer transactions which added £350m, a fail in the note circulation of £360m and the banks' transit constituted to carrier levels. This stocement to proper cent and a down of 3 per cent and a low of

Financial Times Tuesday December 23 1996



مِلَدَامِنَدُ الْصِلَ Financial Times Tuesday December 23 1886 160 | 1080d 0.7 | 129
32 | 500 | 600.16 | 111
42 | 25 | 0.18 | 4
37 | +1 | 25 | 0.1 | 8
37 | +1 | 8 | -1 |
175 | -1 | -1 |
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110 | +00.00 | 24
110 | +00.00 | 24 Unices otherwise inducated, pricors and next dividents are in peece and deconsistations are 25st. Estimated pricorearnings ratios and covers are taccod classest annual reports and account and, where possible, are updated on half-yearly figures. PiEs are calculated on "are fiscaled on a profit after carmion and sureflewed ACT where shared beauty campored on profit after carmion and sureflewed ACT where applicable, branches of figures bediene 10 per cess or more difference if calculated on "ari directions, cover are based on "measurest" distribution.

By this consequery gross deviced casts to profit after texticion, excluding exceptional profits firstens but including estimated entent of officeation ACT.

White are based on related prices, are gross, adjusted to ACT of 29 per cent and after for value for decidend distribution and relate.

"Tao Stock".

**Note that of values of decidend distribution and relate.

"Tao Stock".

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If a reduced to the state of the st Recent Issues " and " Rights " Page 20 (International Edition Page 24)

~acember

INDUSTRIALS CO

Account Dealing Dates "First Deciara- Last Account Dealings tions Dealings Day

The second secon

Morgan Grenfell, which earlier

Elsewhere, investors continued to

switch out of Lloyds and into Bare-lays which left the former

unaltered at 437p, after 435p, and the latter 4 dearer at 503p. Midland

ended 5 better at 577p as did Nat-

Consumer products company

pared with the placing price of

Bensen SBG, formerly Sheffield

The prospect of record Christ-

mas spending encouraged occasio-nal demand for the Brewery lead-ers. Despite the current uncertain-

Brick, were reintroduced following the acquisition of Benson Heating

ing an opening price of 24p.

Dec 8 Dec 18 Dec 19 Jan 5 Jan 9 Jan 19 Jan 8 Jan 12 Jan 22 Jan 23 Feb 2 "New time dealings may take place from 9.00 am two business days earlier. The UK securities markets responded vigorously to the Opec Morgan Grenfell rally output and pricing agreement, which is expected to be beint sterling

educe upward pressure this month were nervously sold down to 337p in the wake of Mr enl bonds gained about Geoffrey Collier's sudden deparand thus reduce upward pressure On British interest rates pne point and a strong advance in ture and the DTI investigation into the stock market was led by oil the affairs of Guinness, but have the stock market was led by oil the affairs of Guinness, but have shares. Turnover was moderate in just recently regained some composting testing account which spans the Christ.

US broker, rallied afresh yestermas break.

US broker, responded to the shares responded to the stock of the point and a strong advance in the affairs of Guinness, but have shares for the shares. weekend press comment and closed 12 better on balance at 393p.

The advance in equities was belped by the latest Gallup poll, showing the Government in a con-vincing lead, and by a report from the Confederation of the British Industries (CBI) that the rate of settlements has fallen to a ten-year

Stocks opened sharply higher and advanced throughout the session to extend gains in late dealings. The FT-SE 100 index gained 20.0 1652.2, and the FT Ordinary index 14.0 to stage prior to closing at 108p com-

A temporary problem with the Topic data base led to a 15 minute period when SEAQ prices were indictire only. There was also a hitch with some Mercury phooe lines on the Exchange's internal

The lead for the equity market came from energy-related issues, with oil stocks attracting some good

with oil stocks attracting some good ensurement demand from domestic and international institutions.

On unrover of 55m shares, BP moved ahead, but Shell, although sharply higher, attracted turnover of only 725,000 shares. With Brent oil prices fourning \$18 at midday, North Sea oil stocks were in demand. British moved up, on turnover of 12m citic with substantial branches that Australian huilding. toil moved up, on turnover of 12m shares, and RTZ, with substantial North Sea interests, rose sharply with 1.3m shares traded.

British Gas, now an energy stock from the point of view of market ratings, added 114 to 6334p, with tries edged up 2 to 523p. BMC rose 7 arnover of 93m continuing to dwarf the rest of the market.

Elsewhere, there were few features, Uralever advancing sharply on thin turnover (386,000 shares) and Giazo remaining little changed and subdued after last week's excite-

Government bonds opened sharply higher, and saw some retail demand from orerseas. Near dated issues moved up as the danger of a rise in CK rates faded further away. while gains in longer dates reflected similar optimism for the longer term. The yield on 2007 maturities dipped to the 10.5 per cent range. index-linked issues, however, were mixed after Friday's news of a new

With the authorities now under no decision to issue a further £100m. tranchette of 1014 per cent Exchequer convertible was clearly a technical decision. Buyers of this stock have been unable to obtain delivery for some weeks, and pressure had been building for actipo by the authorities.

EQUITY GROUPS

Oil stocks lead sharp rise in equity market while

Government bonds gain one point Despite later softening in sterling, gilt-edged closed at the day's best levels, with net gains of a full point. The FT Government Securities index added 0.57 to 82.89.

	F	FINANCIAL '		TIMES STOCK !				NDICES 1986 Since Comp			Morgan Grenfel! has registered a marketmaker and will be deal soon. At the close of husine
	Dec. 22	Dec. 19	Dec. 18	Dec. 17	Dec. 16	3690	High	Low	High	Low	Associated were 25 up at 425p at
Government Secs	82.89	82.32	82.19	82.13	82.30	82.94	94.51 (18/4)	80.39 (20/1)	127.4	49.18 (3/1/75)	mee 10 to 2550n. Mess Advertising
Flored Interest	89.67	89.21	89.17	89.15	89.25	88.96	97.68 (I/I)	88.55 (23/1)	105.4 (25.11.47)		stayed 21 89p despite lower ann profits but Charles Barker
Ordinary ¥	1,286.1	1,272.1	1,270.5	1,276.1	1,279.6	1,113.5	1,425.9 (3/4)	1,094.3	1,425.9 (34486)	49.4 (26/6/40)	proved 2 to 850 on suggestors the Saatchi and Saatchi 5 better
Sold Mines	309.2	311.4	311.3	315.9	326.6	244.8	357.8 (229)	185.7 (187)	134.7 (152'83)	43.5 (26.10/TL)	72tp. could be interested in t company. Abbott Mead Victor
Ord. Div. Yield	4.45	4.49	4,49	4.47	4.47	4.46		S.E. AC	TIVITY		2082 and Trade Premotion. 18
ernings Ykt.%(full)	10.57	10.63	10.63	10.60	20.63	11.09	10	dices	Dec. 19		rose 5 and 7 respectively. Amention in Properties focus
/E Ratio Inet) (*)	11.61	13.54	11.54	11.57	11.58	1173		Bargalos	1129	1108	on secondary issues Stand
EAQ Bargains (5pm)	30,012	31,646	30,087	34,415	38,336	_	Equity San Equity Value		352.0 2626.1	389.9 2518.5	Securities were outstanding
Equity Turnover (Em)	-	1,299.24	1,245.99	1,270.07	1,160,01	494,20	5-Day Are	rage		-	finally 27 higher at 200p follow
quity Bargains	-	54,328	60,168	62,517	61,657	17,694	Equity Ban	Sargains	117.1	120.3 357.3	the announcement that the co
Shares Traded (ml)		571.9	512.7	586.9	703.9	236.4	Equity Valu		368.7 2557.3	2503.8	paired 5 to 590 DC news that C
	10 a.m. 1277.1		ייה. 79.4	Noon 1281.0		p.m. 281.7	2 p.m 1282.		p.m. 282.3	4 p.n. 1282.7	brook Securities, a company of trolled by two Hampton Trust di effect had accuired a furth
Day's High 128		ay's Low									100,000 shares in Hampton at per share Bradford Prope
Basis 100 Gort.	Secs 15/3	0/26, Fixe	d lot 1929	, Ordinary	17735, Go	id Mines 1	2455, SE	Activity 197	4 •NE=11.	14.	attracted further demand and i

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

property group to develop a number of Woolworth's high street stores, closed 20 higher at 685p. and Burton advanced 14 at 270pm and Burton gdvanced 14 at 2/0pm.
Marks and Spencer—nearly 6m
shares changed hands—ended 5 to
the good at 176p and Dixons pnt on
5 at 310p. Elsewhere, Body Shop gained 27 at 762p following publicity given to a broker's review.

Plessey, a major beneficiary of decision to purchase the American Boeing AWAC system, attracted a sizeable demand—11m shares changed hands—and the by reports that Australian huilding close was 9 higher at 18312p.
Racal, meanwhile, which will also
benefit from the AWAC order, products group Boral intends to make an offer for its associate Blue closed 412 better at 17812p. GEC. whose Nimrod system lost onl to the Americans, moved ahead to 671p. Elsewhere, John Finlan, which recently announced a £5.2m strongly following favourable Press comment and a "buy" property disposal, gained 6 to 85p as the company confirmed that il is recommendation from broker's Credit Suisse Buckmaster Moore at an advanced stage of negotiation to acquire a privale concern: to close 7 bigher on balance at further details are expected shortly. Burnett and Hallamshire shares were traded as news of the increased lead taken by the Confirmed 2'- to 13p largely reflecting servatives in an opinion poll encouraged huyers and the close the efforts of a single buyer, while Countryside rose 6 to 465p in a market short of stock; the results was 8 up at 211p. STC were also fairly active and 3 dearer at 173p. due soon. Renewed demand lifted Thern EMI gained 6 at 467p. Secondary Electricals provided some good features usually in response to Press comment. Multi-Ward Heldings 10 to 298p. tone jumped 11 to 51p and Norbain rose 10 to 58p for this reaspn as Leading retailers revived strongly as Press reports that stores are currently experiencing record did Imtec, at 21p. up 5. Comment

pre-Christmas trading induced good support. Sentiment was also helped by news of the weekend Opec agreement which helped Leading Engineers moved higher, but the volume of trade rekindle expectations of tax cuts left much to be desired. Hawker in next year's Budget Double-figure gains were fairly commonmet with further sporadic demand and put on 5 more to 432p, while Vickers bardened 5 to 388p and place and Woolworth, which rose last week on the announcement of GKN 2 couple of peace to 283p. a jpint operation with Rosehaugh Elsewhere, Bullough cootinoed to

on recovery prospects lifted Cifer

make progress in the wake of the recent preliminary figures and Weekend Press mention prompted acquisition news and pul on 5 a gain of 10 to 105p in Burndene further to 340p. TI were also Others to respond to newspaper

Food Retailers made headway on seasonal consumer spending hopes. ASDA-MFI firmed 4 to 151p. as did J. Samsbury, at 415p. Tesco improved 5 at 385p. Argyll displayed a similar rise at 312p, while Rwik Save added 3 to 245p. Elsewhere. Unigate were in demand and rose 6 to 315p. while Harlewood Foods firmed 2 to 152p following acquisition news. Press comment boosted Park Foods, 5 higher at 169p, while increased half-year profits prompted a rise of 7 to 80p in Batleys. Chambers

for Trusthonse Forte, finally 3 better at 169p. Kennedy Brookes firmed 5 to 258p.

Pilkington improve

attracted a fair amount of interest riedly reduced the amounts of as buyers continued to look for an increased offer from BTR. Other and finally all six showed screen are common to British Petroleum. leading miscellaneus industrials passed a relatively quiet session, particularly the pharmaceutical issues after last week's good performance. However, Beecham continued to edge bigher and closed 5 to the good at 438p. Else-where, Fothergill and Harvey moved up 11 to 247p on hopes of an increased hid from Courtaulds as the latter extended its closing offer to 30 January 1987. Investment de-

good at 275p, while Wellcome, over-

Cable & Wire (*328)

looked of late, improved to 223p. further to 340p. TI were also wanted at 482p, up 7, while a mention included Dalgety, 6 higher weekend Press mention prompted at 274p, Pearson, 8 dearer at 5.5p, and Smiths Industries, 8 to the good at 276p. Sibe rallied 9 to 745p on all 276p. Sibe rallied 9 to 745p on a 276p. Sibe rallied 9 to 745p on a 276p. day's appoundement of the acquisttion of a majority stake in Ranco of the US Kelsey Industries gained 10 to 3t0p in response to the in-creased annual dividend and pro-Lumo helped Albed Textile im-Its, while Nach Industries, also Lumb helped is helped by trading news, rose 6 to prove 3 to 303p. 141p. Deminion International. in contrast, eased a few pence to 100p and Eastern Investment were warnly supported and rose 8 to 120p.
after 122p, while the Warrants
touched Top prior to closing 8 higher on balance at Top "Investing in after the interim statement. Extel came to life following a speculative

flurry and closed 25 to the good at Associated Newspapers shot bigh-er as marketmakers were caught of 7 to 80p in Batleys. Champers and Fargus were a penny dearer at 51p; Le Port Noir SA has increased its holding to 12.719 per moved up from Gamma to a Beta rating in which all quotes including to 12.719 per form. Further aggresing size are firm. Further aggres-sive demand ahead of next month's preliminary statements exerted considerable pressure on traders' short positions and at the same time aroused speculation over AN's net asset value. Dealers hur-

NEW HIGHS AND LOWS FOR 1986

NEW NIGHS (123)

AMERICANS (2). BANKS (1). Majorited 37gc Il. Li.
BREWERS (1). BUILDINGS (3).
ELECTRICALS (2). STOKES (3). BUILDINGS (1). Honderson Count.
ELECTRICALS (2). ENGINEERING (3).
FOODS (4). INDUSTRIALS (18).
INSURANCE (3). LEISURE (4).
MOTORS (3). NEWSPAPERS (2).
PAPER (2). PROPERTY (3). TEXTILES (4). TRUSTS (34). BILL (6). MIRES (2). TRUSTS (34). BILL (6). MIRES (2). Media: Technology (1).

HEW LBWS (15)
BRITISH FUNDS (2) Exch 1340c 1987

Pref. MINES (1), Coby Resources.

LONDON TRADED OPTIONS

PUTS

Jac. Apr. July Jac. Apr. July .

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Affect Lyons 280 35 0 50 1 5 10

54 45 28 13 33722

<u>8</u>

25 16 9

29 33 40 01₂ 11 18 25 5 41₂ 9 15 18

180 180 180

Option

- 93 70 55 - -

1 7 25

well at 170p. up 4, while Enterprise added 112 more to 179%. Ultrasar were 4 higher at 159p and LASMO a fraction dearer at 150p. Carless Capel jumped 61/2 to 751/2 and Clyde Petroleum gained 5 to 56p. Elsewhere, IC Gas encountered persistent buying interest on hopes that another bidder may emerge and the price advanced strongly to ciose 26 higher at 512p. South African Golds edged bugh-

Success Equities responded to 885p up 25, on the offer from Sydney-based Panfida Financial Trusts had J. T. Parrish 12 better at

337p and United Trost and Credit 8 dearer at 430p.

The oil majors performed strong-ly following a surge in crude prices

arened middly which in turn re-

fiected Open's agreement late on Friday to cut oil output to ISBm

harrels per day for the first half of 1987. Although a shade below the

Fet. | May. | Aug. | Fet. | May. | Aug.

(-37%) 330 52 63 73 7 5 R

15 to 4850.

Associated were 30 up a range are a new peak of 425p. Elsewhere. BPCC found renewed support and rose 10 to 2550p. Mess Advertisingstayed at 89p despite lower annual er in dollar terms, helped by the improvement in bollion which setried a net \$0.25 higher at \$383.75 an profits but Charles Barker im-proved 2 to 850 on suggestons that Saatchi and Saatchi 5 better at 721p. could be interested in the ounce. However, gold shares in sterling terms were generally a shade easter and the Gold Mines index showed a 2.2 decline at 309.2. company. Abbott Mead Vickers, 2082 and Trade Promotion. 1882. A handful of the leading producers Tade progress in response to beying interest from the Continent. These included Bandfontein, 933%, Wintelbank, £13%, Southward, £23%, and Liberton, £11%. rose 5 and 7 respectively.
Amention in Properties focused on secondary issues. Standard Securities were outstanding and finally 27 higher at 200p following the announcement that the com-

Interest faded in Platinums and

Impela cheapened 14 to 780p and Resembarg 15 to 710p.

Among miscellaneous mines, Anglo United touched 31p prior to closing a net 3 higher at 30p following news that Hillsdown Holdings. gained 5 to 59p on news that Old-brook Securities, a company conbrook Securities, a company to trolled by two Hampion Trust dire-ctors, had acquired a further 100,000 shares in Hampion at 53p per share. Bradford Property attracted further demand and rose ing news that Hillsdown Holdings, the UK food manufacturer, bad taken a near-30 per cent stake in the company.

Many Australian gold issues Hopes of property developments moved to their best levels of the in the near future drew fresh buyers to Early's of Witney which advanced 5 more to a 1995 peak of year. Whim Creek added 12 at 250p, Renisen jumped 13 to 450p, Sens of Gwaliz rose 5 to 383p and Gold Mines of Kalgoorlie put on 10 to 138p. J. Besies were another to extend recent firmness and closed 6 higher at 1970, which Hugh Mackay put on 2 at 163p. Press meotion 758p. Southern Resources closed 4 to the good at 72p reflecting news that in order to finance expansion coupled with news that a subsidi-ary had won a fillim contract from British Petroleum 100 S. Jerome ap of its gold interests in Western Australia the company has granted options to the Elders group of comto 119p before the shares settled a net 3 dearer at 116p. The profit forecast contained in the formal panies to acquire up to 53 per cent of Southern Resources equity over a five-year period. offer document for Bulmer and

Strong gains in oil prices following news that Opec had agreed to limit production triggered a marked decline in the dollar and Far Eastern-orientated China

in turn prompted a firm showing by international bullion prices. This boosted Australian gold mining shares, but the sternith of sterling against the dollar had a restraining

effect on South African Golds-The mining market's best performance came from the London-registered Rio Time-Zinc which jumped 25 to 5780, on a turnover of 13m shares, following a marked increase in Institutional buying orders. Canadidated Gold Fields were also a firm market, in the wake of weekend Press comment suggesting a stake building exercise by Mr. T. Boone Pickents, the US corporate raider. Gold Fields' shares moved up 4 to 672p.

Traded Options

Total contracts transacted in Traded Options amounted to 30,158, comprising 18,920 calls and 11,238 puts. The market's latest addition British Gas accounted for well over a third of the business. recording 6.507 calls and 3.915 pais.
while an evenly-matched trade in
the FT-SE index saw 1.099 calls and 1,189 put alone.

Traditional Options

First dealings
Dec 15 Jan 5 Jan 19
Last dealings
Jan 2 Jan 16 Jan 28

Mar 19 Apr 2 Apr 23

Mar 30 Apr 13 May 5 For rate indications are end of Unit Trust Service Stocks favoured for the call included Mercury Securities.
Amstrad, Nacfolk Capital, Nacto
Kaigurii, Godfrey Davis, Whim
Creek, TV Services, Cecil Goc. Hanson Trust, TSB, BBA, Western Motor, Penton, Pipe Art Developments, F. J. C. Lifley, Birmid Qualcast, Perranti, ICI, Petronel, Stakis, Pentland, Parkfield, Smith and Whitwesth and Kennedy Breakes. No Puts were recorded but double aprious were taken out in North Kalgarii

TRADING VOLUME IN MAJOR STOCKS

ing is based on trading volume for Alpha securities dealt through the SEAG system yesterday until 6 pm. Land Securities ... Legal & Gen. Lloyds Bok..... ASDA ME hed Lyces Marks & Spect ... Marks & Spect ... Mediand Bank MatWest Bank P&0 Bria, Telecout.... able & Wire Gea Elect. Grand Met Trace Thorn Edition Trafalger House Thouse Forte United Biscults. Georgian R.E.

RISES AND FALLS YESTERDAY

Totals assessment and the second desired and	1,092	558	. 1,17
British Funds Corporations, Dominion and Foreign Bonds Industrials Figureial and Properties Plantations Mines Cities	Rises 86 16 16 215 53 2 59 60	Falls 17 0 302 105 13 1 52 68	5400 53 26 4 1 7

EQUITI

LC	DNE	NOC	RECEN	IT IS	SU	E۶	
iES							
Latera Record.	15	06 Low	Stock	Chasing Price	+ 0-	Het.	Times
Date	High	iou		Price	- 1	Dhr.	Corn

1,2204	Paid	Remute.			Stock	Chasing	+ 0	Mrt.	Times	Cos	P.E.
Price	-	Date	High	Low		Price	-	Div.	Covi	Yiesu	Rabo
\$122	F.P.	21	153	135	#Ashteed Group 10p	148	1-2	220	35	70	141
-	F.P.	! -	45	27	Asstraka Inv. Wirts	45	·		_	2.7	
# E	F.P.	(– l	67	65	Haresco (Reg(In	66%	٠,	185	14	11	17.1
£38	F.P.	28/11	4402	39	4B.C.E. Hlogs 5a	4412	1	B/2.0		12	24.8
77	F.P.	_	27	65 39 24	Berton (SGB1	25		be0.5	32	23	13.6
135	50	20/2	68	61	British Gas	633	+1	W6.5	21	4.7	10.7
365	F.P.	! —	71	175	#Cap & Reg Prop 10p	66		-		-	34.2
175	F.P.	20-1	198	175	Fleicher King 10a	178		R4.5	25	3.5	15.6
594	F.P.	6/1	110	108	+Gay#or Group 10a	108	-1	1267			145
\$16	F.P	9/2	55	33	#Gleptree 10p	51	+î	R0 62			13.0
5190	F.P.	27	208	203	Gordon Russell Sp	207		R5.3		3.6	300
195	F.P.	19/2	108	105	-Halls Homes&Gors 5g	104		R2.77		38	115
\$23	F.P.	5/2	28	24	Harmony Leisure 50	27			124		22.7
\$300	F.P.	i –I	121	101	#Hornby Group 5p	101		73.195			
£128	F.P.		150	147	Hostyns Group 5g	147	-3	LL.		25	13.5
£50	F.P.	מעצ	170	138	- Johnson Fry 10e	158	-2	13,72			13:
1165	F.P.	1972	137	123	Lloyds Chemists 5p	131		ul.28			32.0
965 9144	F.P.	21/1	67	65	Logitek Sp	67		72.5	38	38	
4141	F.P.	-	149	1441	MIL Research 5p	1444	2-	730	14		142
1102	F.P.	_	111	106	#Marborn Grove So	100		F3.2	30		
1105	F.P.	1912	105	95	Miss Sam 100	95		3.91	24		117
1755	F.P.	23/1	15B	152	Nobe Group 10p	153	-2	~ .75	22	58	
96C 990	F.P.	81	96	80	#Northumbrian Foods 5ol	901-	-12	(1.7	25		114
990	F.P.	29-12	111	98	#Pload Hides So	113	2				19.1
115		12/12	130	156	*QuartoGr Comm. SO ID !	126		23.195	23		16.5 14.2
170	F.P.	19/12	235	193	#Spartdex 10p	235	+2		2.7		
£135	FP.	91	143	138	Semit £1	138				냆	29.5
_70	F.P.	97	111	90	TTSB Channel Islands	110	-1				
£775	F.P.	8/1	120	129	Tribble Harris 50 ml	120				-5	7.6
_=	F.P.		52	52	Trinova SS	52		150			27.6
1240	F.P.	7/1	142	1287	YArgkii Group 10p	1335]	122	23	20	=
497	F.P.	18/12	205	101	Ward Grown So. (101	-ï"í		윮		22.2
F235	F.P.	23.1	148	138	Wilding Office 10a	143	1	e3.25			3.00
104	F.P.	5/12	90	78	WWOOLDON Refusers 70ml	78					18.9
	F.P.	-	96	87	Yeoman low. Cap. Ip	87	-i l		ام	47	-2
	_					~,	1		- 1	_ 1	_

FIXED INTEREST STOCKS

Price	Attend Paid	Latest Resonc	15	66	Stock	Cleans	+ =
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\$100 \$101.41 \$100 # 101.61 \$100 \$100 \$100 \$100	F.P. F.P. MII F.P. E10 F.P. E1	29/1 26/2 3/2 19/3 15/5 22/1 29/1	1014 1014 1022p 60pm 100p 114 491 ₂ 100 114	411 ₂ 100	Ester Water 11% W Red. Och. 2002-04 do B-4" Red. Pt 1993 Historier Druce 64." Criv. Cum Beal. Pt 1.51 Lot. & Edin. Tst. 6" Criv. Criv. Beal. Pt 1.51 Lot. & Edin. Tst. 6" Criv. Criv. Red. Pt 1.51 Bid-Merit Water 84-9. Red Pt 1.997 Min-Sinster Water 11% Red Deb2012-26 Manuswide 11% Bds. 21/12/87 Portsmopt Wit. 84-9. Red. Pt 1996 West Kept Water 12% Red. Och. 74-765	99-2 197-2 197-2 111-2 111-2 100-1011-	
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Issue Price	Araburt. Paid	Resence	29	86	*	Closing	
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60 335 143 65 14 11 ₂ 10 210	IN I	2111111	61 ppp 36 pp 16 pp 11 pp 7 pp 14 pp 162 pp 25 pp	16pm 10pm 6pm 6pm 13pm 1013pm	SARESCO Ip Anno Ratcher EI Eurasophen Meet Marring Ind Ibp Munton Bees Ibp SP-Operty Trect Ibp Usated Gearantze Whitecroft	bigony 28om 16pm 11pm 6pm 12pm 10fgpm	-2 +1 -1
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FT-ACTUARIES INDICES

Monday December 22 1986

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

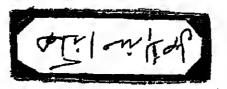
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	& SUB-SE	ECTIO	SNS	1	winne	aj	Dec	411	iver 1	170	,	19	18	17	(mpror)
F	igures in parenthe: stocks per	ses show r section	number	Ind No	. Ch	y's !	Est. Earpin Yield* IMax	7	Gross Div. Vield % (ACT at 29%)	Est. P/E Ratio (Ret)	ad ad). 1986 to date	Index No.	Index No.	Index No.	Index No.
Ī	CAPITAL GOOD	S (210) .		682	.78 +1		9.1		3.82	13.83		673.81	673.90		568.67
2	Building Material	ls (27)		! 849	.95 +0		8.9		3.62	14.10		847.08	852.74		631.18
3	Contracting, Cons Electricals (12)	STraction ((29)	1171	.76 +0 .06 +7		8.6 8.6		3.97 4.86	17.05		1161.35		1162.80	914.60
5	Electronics (38)	***********		1498	.00 +1		9.6		2.75	14.77		1715.67 1457.60		1723.94	1405.64
6	Mechanical Engir			384	47 +0		10.2		431	12.37		381.55	381.09		321.97
8	Metals and Metal	Formino	(7)	349	88 +1		10.1		4.25	12.22	10.32	345.58	344.79	347.29	239.67
9	Motors (15)			1 263	251 H		105		3.99	10.98	6.98	261.79	261.37	262.67	206.00
10	Other Industrial N	Viateriais)21)	1172	L70l +3	5	7.5		4.69	15.67	31.80	1354.90			1003.91
21	CONSUMER GR	QUP (18	6]	 937	18 +0		8.1		3.41	15.42	22.69	928.92	931.37	935.07	757.70
22	Brewers and Oist	illers)22)(] 921	.65! +0		9.2		3.76	13.61	25.07	918.29	919.41		770.35
25	Food Manufactur Food Retailing (1	189 (24) .		1732	79 +0		9.2 7.3		3.85	14.15	19.96	727.21	728.46	730.18	565.02
26 27	Health and House	bold Dec	ducts 110	1016	49 +0		5.8		2.96 2.33	19.05		1810.50 1619.53		1820.51	1/31.30
20	Leisure 129)						7.8	- 1	4.21	16.76	27.59	957.10		963.34	748.55
29 32	Publishing & Prin	ting (14)		2742	.07 +7		7.1		4.16	18.14		2597.67	2697.29		1830.05
33	Packaging and Pa	aper (14)		484	.29 +0	5	7.0	6	3.45	18.34	11.91	481.88	484.11	482.56	326.38
34	Packaging and Pa Stores (38)			817	.23 +2		7.7		3.30	17.45	18.68	800.67	806.05	814.86	753.80
35	Textiles (17) Tabacccs (2)			548	46 +0		9.7		3.73	11.84	14,49	547.92	545.17	543.21	381.71
36	Tobacces)2)		**********	1313	.66 +1		12.6		3.74	8.72		1295.16	1308.38		880.37
41	OTHER GROUPS	5 (86)		808	.96 +0		8.9		436	14.37	23.03	801.54		799.03	699.68
42 44	Chemicals (20)	(4)		259	.35 +0		7.1		4.09	13.82	29.68 7.55	1005.10		1008.29	727.13
45	Office Equipment Shipping and Tran	1500rt (7:	2)	1506	45 +0		7.9		4.63	16.03		256.99 1503.11	257.01 1503.16	258.37	206.82 1313.76
47	Telephone Netwo	rks (2)		B39	27 +2		11.3		4.59	12.23		818.77		803.05	869.59
48	Miscellaneous 14	8)		1097	.02	- 1	7.0	6	3.27	17.46	25.09	1096.64	1098.79	1102.84	865.06
49	INDUSTRIAL GI	ROUP(48	2}	846	80: +1	.0	8.6	o l	3.68	14.74	21.72	838.36			780.81
51	0il & Gas (18)			1491	.38. +1	4	22.4	ź	6.08	11.07	63.41	1470.91			1119.95.
59		EX[500)		901	.44 +1	1	9.0	1	4.03	14.06	24.98	891,95	891.97	893.99	736.80
61	F)NANCIAL GR				.62 +0	7	_	7	4.70		19.16	603.82	602.65	606.20	513.69
62	Banks)8)				31 +0	.8	18.7	2	5.45	7.33	24.78	669.01	667.49	668.73	527.27
65	Insurance (Life)	9)		859			-	i	4.53	– 1	27.29	853.88	852.63	856.96	780.14
66	Insurance (Compo						=	_ [4.78		15.57	449.52	445.80	452.21	400.57
67 68	Insurance (Broke Merchant Banks I						8.2	9	4.54	15.89	36.30 7.81	1137.92	1142.45 342.59	1159.62	
69	Property (49)			798	62 40		6.0	a (3.64	21.57	19.90	341.31 795.24	794.63	347.76 798.88	280.60 663.62
70	Other Financial (2)	25)		360	11		9.9		4.44	12.41	10.65	360.05	360.73		294.93
71	Investment Trusts	s)97)		867	.69 +0	3		+	2.65		16.87	864.84	868.70	869.27	642.93
81	Mining Finance I	2)		335	.40] +2	7	9.3	3	4.78	12.60	11.30	326.43	325,77	327.76	245.22
<u>91</u>	Overseas Traders					5	10.4	9	5.91	11.53	29.87	753.37	747.76	750.55	589.01,
99	ALL-SHARE INC	PEX (730)	823	18. +1	.0	_	Т	4.10	-	23.11	815.18	815.04	827.34	672.30
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	213	(ED	NTE	DECT	•		\neg			SE GRO			Moe Dec	Fri Dec	Year ago
		\					_ }		KEDEI	APTION	TIELUS		Dec 22	Dec 19	(approx.)
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		22	%	19		to d		3			years		10.28 10.28	10.41	10.31 10.32
_	Delick Comment		 -		 	+~-	-	4					11.51	11.15	11.20
-	British Government 5 years	119,30	+0.74	119.07	0.00		-1	5	Совроп		years		10.61	19.75	10.65
	-			l .	0.06	1	31	6	{		years		10.32	19.44	10.26
_	5-15 years	130.19		129.17	-		.59		High	5			11.07	11.21	11.28
3	Over 15 years	136.25	+1.07	134.99	0.18	13.	.60		Coupon		YEST'S		10.79	10.92	10.30
4	Irredeemables	149.56	+1.08	147.97	_	13.	<i>57</i>	9)Tars		10.36	10.49	19.43
Ę,	Ali stocks	123,67		127.87	0.05	23.		10		mables		1	10.08	19.19	9.77
_	Index-Linked				1	+=-	~~			Linked					1
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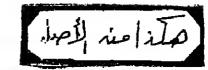
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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

ยัง และสมัยสมาร์ สามาร์

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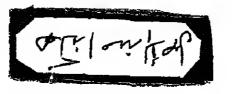
STATES SALES SALES

Continued on Page 27

Kidder, Peabody Securities

Market Makers in Euro-Securities

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FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Downturn as the spell wears off

witching hour wearing off rapidly, Wall Street stock prices fell moderately yesterday, writes Roderick Oram in New

Credit markets showed resilience in the face of oil price rises prompted by Opec's production cutting agreements, with bond prices rising on the day.

As in past "mornings-after" the excesses surrounding the quarterly simultaneous expiry of three types of futures and options contracts, the stock market experienced an opposite if not quite equal reaction.

Much of the 17 point rise in the Dow Jones industrial average in the last half hour of trading on Friday was given up in yesterday morning's trading as the market digested the unprecendented volume of shares traded at Friday's

A bout of buying late in the session trimmed losses, however, leaving the industrial average down only 2.39 points at the close at 1,926.46. The New York Stock Exchange composite index was off 0.63 points at 142.02 with declining is-

260

240

NEW YORK

DJ Transport

S&P Composite

DJ Utilities

LONDON

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

AR Ord.

BELGIUM

CANADA

Portfolio

DENHARK

FRANCE

CAC Gen

Ind. Tendance

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm.

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

SPAIN

JAP

WORLD

(Landon)

Zürlch

Paris (fixing)

New York (Feb)

Oslo SE

SDIGAPORE

Straits Times

SOUTH AFRICA

Madrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'T

Silver (spot fixing) Copper (cash) Coffee (January)

ITALY

WEST GERMANY

SE

Metals & Mins.

Credit Aktien

Belgian SE

Metals & Minds

TOKYO

FT-A All-share

FT Gold mines

FT-A Long got

KEY MARKET MONITORS

Standard & Poors 500

1983

1,926.18 1,928.85 1,543.0

835.88

212.06

1,272.1

1,652.2 1,632.2 1,386.5 823.18 815.18 672.30

891.95

10.49

18.825.40 18.930.0 13.011.1

1,566.66 1,569.0 1,038.24

717.9

230.66 229.29 237.77

4,053.66 4,034.98 2,895.77

1.969.5 1.975.7 2.069

410.90

3,044.6 3,047.3 2,878.3

1,537.44* 1,538.86 141.36

n/a 192.15 232.88

410.90

163.30

675.23

2,035.90 2,038.7 1,871.1

2,503.77 2,463.81 1,720.18

715.60 702.67 449.84

280,80

276.40

901.64

Year Ago

1,151.8 1.042.0

581.4

252.2

£933.25

\$16.25

\$393.50 \$395.00

\$394.50

Prev

1,903.0 1,390.0

2453.64 2462.21 1.718.85

Dec 19 Previous Year acc

207.60 208.83

588.00 587.2

356.3 353.1

£923.50 £1,792.50 £1,801.00

\$394.25

\$394.50

COMMODITIES

GOLD (per ounce)

Dec 22 Pravious

248.75 249.44

309.2 311.4

1,460.6 1,456.8

STOCK MARKET INDICES

830.91

901.44

10.36

718.0

211.83

1984

711.26

174.96

210.94

736.80

244.8

476.0

10.53

1985

Guille

Lira BFr C\$

US DOLLAR

2,0060

163.15 6.5725 1.6845 2.2665 1,391.5

41.75

1.3795

INTEREST RATES

US BONDS

Dec 22 Previous

1.9780

162.75

6.4975

1,6595 2,2375 1,373 41.15

3-month US\$ 6-month US\$

Source: Harris Trust Savings Bank

(3-month offered rate)

IUS Fed Funds

1993

AT & T

3% July 1980

10% Jan 1993

8% March 1996

8% April 2018

Dec

LONDON

March

\$1m points of 100%

£50,000 32nds of 100%

* Letest available figures

US Treasury Bonds (CBT)

US Treasury Bills (MIM) \$1m points of 100%

Phibro-Sal

8 April 1996

SCBT South Central

STERLING

1.4325

2.8750

233,25

9.4200

2.4150 3.2475

1,994 59.80

11%

Price Yield

Yield Day's

6.92 +0.01

+0.01

+0.02

+0.01

6.63

6.34

6.71

7.85

92,329 8,35 92,25 6,371

106.25 9.50 106.375 9.495

99.50 8.075 99.50 8.075

99-20 99-26 99-06 99-24

94.73 94.77 94.68 94.73

93.92 93.92 93.90 93.94

Dec 22 Previous

1.4415

2.8525

234.50 9.3700 2.3925 3.2250 1.980

59.35

6% 6% 6.50 5.53

Yield

Day's

+0.09

+0.08

152.75 +0.07

189.53 +0.15

December 22*

Otticorp 9% March 2016 100.75 9.298 100.75 9.298

FINANCIAL FUTURES

94.02

142.33 +0.04

155.57

99% 6.284 99% 6.30

7.087 101% 7.09

100% 6.952 100% 8.96

101242 7.353 10142 7.385

sues leading rising by a margin of almost two-to-one on volume of 157.6m

Among blue chips, American Express slipped \$% to \$59%, Anheuser Busch lost \$% to \$26%, Citicorp gave up \$% to \$53%, Coca-Cola gained \$\% to \$39\%, GTE edged up \$\% to \$59\%, McDonald's lost \$1 to \$84 and Proctor and Gamble rose \$\% to

Oil companies were generally stronger after Opec's weekend agreement to cut oil production. In New York the spot price of West Texas intermediate crude ended the day up 82 cents at \$17.22. But Opec's ability to maintain market discipline and hence prices may be short lived as it has been in the past.

Among oil companies, Chevron gained \$\% to \$46\%, Texaco put on \$\% to \$36, Standard Oil was up \$\% to \$50\%, Atlantic Richfield rose \$1% to \$61% and Exxon added \$1/4 to \$72%. Amoco dropped \$1% to

Airlines, whose profitability is closely linked to oil prices, were generally lower despite heavy holiday traffic. United Airlines fell \$% to \$57%, American Airlines lost \$% to \$55%, Delta gave up \$% to \$48% and Texas Air, the largest US carrier, was down \$4 to \$35%.

Two of the three giants of US industry which announced last week heavy charges from restructuring or layoffs continued to fall. IBM was down \$2 to \$1231/4 and General Motors slipped \$1/4 to \$66%. AT&T, however, recovered \$% to

Chrysler dropped \$% to \$39%. It annuanced \$2.9bn of capital spending for the coming year, down from \$3.1bn this year. Ford Motor was off \$% to \$57%.

Navistar, the former International Harvester, was the most active issue on the NYSE with 5m shares traded on an unchanged price of \$4%. It offered 128.3m shares yesterday at \$4%.

On the takeover front, Joy Manufacturing jumped \$2% to \$34% after announcing plans for a management buy-out at \$35 a share. Earlier yesterday Pullman Peabody, unchanged at \$7%, had offered to raise its takeover bid to \$34 a share if a friendly deal could be

Telerate gained \$2 to \$28%. It said it was buying out the 49.6 per cent minority stake in AP-Dow Jones-Telerate from Dow Jones. The company provides Telerate's on-line financial information outside North America.

Quiet trading in the credit markets was influenced mostly by the Opec production cutting agreement and the resulting higher oil prices. A weaker dollar also contributed to the initial fall of around 4 of a point in bond prices.

The downturn was short-lived, however, and prices bounced back in the af-ternoon. The benchmark 7.50 per cent Treasury long bond finished up 1/22 of a point at 1012/1/22 yielding 7.35 per cent.

Three-month Treasury bills gained two basis points to 5.52 per cent, sixmonth bills rose three basis points to 5.59 per cent and year bills edged up one basis point to 5.58 per cent.

The only economic figures due out this week are November's durable goods orders released today. A rise of about 1.5 per cent is expected although this strong growth should be seen in the context of a 5 per cent fall the previous month.

The Federal Reserve added liquidity to the market with seven-day system repurchases when the Fed funds rate stood at 8% per cent. The rate ended the day at 8½ per cent.

TOKYO

Prices slip after climb to record

LIGHT selling dealt a blow to share prices in Tokyo after early record-breaking surges, writes Shigeo Nishiwaki of

Some major contractors and properties were an exception.

The Nikkei market average closed 104.63 down from last Friday at 18,825,40, having gained 52.93 points shortly after the opening to eclipse the 18,936 peak scaled on August 20. Volume expanded from 688.78m to 856.74m shares. Declines outnumbered advances by 562 to 284, with 148 issues unchanged.

Early gains were sparked by large buy orders from corporations which have close relations with Nikko Securities. The major brokerage's president was replaced last Friday. Orders focused on sushita Electric Industrial, Hitachi and Fujitsu.

Many investors expect further rises in the coming weeks among a broad range of issues. However, they consider the re-cent rises to records as boding ill for the

Despite the absence of fresh incentives, big contractors were favoured. Kaiima rose Y70 to Y1,450, exceeding the previous high of Y1,400 reached on December 12. Kumagai Gumi strengthened Y100 to Y1,290.

Among property stocks, Mitsubishi Estate added Y150 to Y2,580 and Mitsui Real Estate Y40 to Y1.980.

One dealer said the gains by contractors and properties were due to selective buying of these issues because blue chips were no longer in demand.

Among utilities Tokyo Gas added Y20 to Y1,180 on the third busiest volume of 34.44m shares traded, while Tokyo Elec-tric Power weakened Y50 to Y8,090 on small-lot selling. Other utility stocks closed mixed in lethargic trading.

Blue chips ended lower almost across the board on profit-taking, in contrast to popularity last week. Hitachi finished unchanged at Y1,180, but Matsushita Electric Industrial eased Y20 to Y2,200, NEC Y30 to Y2,100 and Fujitsu Y40 to

Y1,110.

Bonds weakened in listless trading, reflecting anxiety over the proposed rise in the securities transaction tax on con-

The yield on the 5.1 per cent government bond due in June 1996 went up from 5,260 last Friday to 5.320 per cent.

Dealers generally remained undecided ahead of the possibility that the Government and the ruling Liberal-Democratic Party might increase the tax on convertible bonds by a factor of six and also introduce a tax on government bond futures contracts. These measures could trigger a flight of funds to other financial instruments, traders said.

Dealers were also waiting to see how US and European financial markets would react to Opec's agreement to raise its oil reference price to a fixed official level of \$16 a barrel.

SOUTH AFRICA

THE FIRMER bullion price failed to boost golds in Johannesburg and the sector closed little changed from Friday. Among golds Buffels lost 25 cents at R74.75 and Freegold lost 75 cents to R51.

Other minings included diamond group De Beers which lost 50 cents to R33.75. However, Impala Platinum added 50 cents to R50.50. Mining financial Anglo American added 25 cents to

EUROPE

Plenty of reasons for caution

A MIXTURE of corporate news, domestic factors and the Opec agreement on an oil policy combined to leave European bourses mixed yesterday.

Frankiurt suffered from weak de-mand as brokers held back from opening new positions ahead of the end of the year. The sharp fall in the dollar also took its toll on prices although the

market closed off its day's lows.

The Commerzbank index lost 2.8 to close at 2,035.9 in exceptionally quiet trading.

Some corporate developments provided a focus of attention. Among the banks Commerzbank lost DM 1 to DM 305.50 on the news that it had obtained a licence to carry out investment banking in Japan. Elsewhere in the sector Dresd-ner was down DM 2 to DM 406.50 and Deutsche DM 5.50 to DM 818.50.

Car-makers were among the sectors that suffered most from the general sluggishness. VW, which has increased its stake in Spain's Seat group, lost DM 5.50 to DM 430.50, BMW fell DM 8 to DM 577 and Daimler was DM 5.50 down to DM 1.234.50.

Electricals were also lower including Siemens, down DM 9 at DM 734.00. AEG, which has signed a deal with Hitachi, lost DM 5.20 to DM 330.50, Among chemicals BASF fell 50 pfg to DM 273.60 but Bayer managed to edge up 10 pfg to

Retailers closed mixed despite forecasts that Christmas sales this year would rise 3.5 per cent.

In the bond market long maturities fell up to 20 basis points in directionless trading. The price of the recent 81/2 per cent 1996 loan stock fell 20 basis points. The Bundesbank bought DM 18.7m worth of paper after selling DM 9.5m on

Amsterdam eased back from the day's highs although prices were generally firmer on balance despite worries over domestic interest rates. Sentiment was also dampened by Wall Street's lower

Internationals saw some gains including Philips which added 30 cents to Fl 44.30, Unilever Fl 2.50 to Fl 523.50 and

Royal Dutch 60 cents to Fl 46.40. Akzo added 20 cents to Fl 161.10 on the news that it had acquired certain medical units of Cooper Technicon of the US. Brussels searched in vain for fresh factors and prices closed generally mixed to firmer. Bellwether Petrofina was one of the

few actively sought stocks. It gained a healthy BFr 190 to BFr 9,930 amid further speculation of a share split and in reaction to the Opec agreement. Elsewhere chemicals and utilities

closed generally down including UCB which lost BFr 160 to BFr 9,400.

Paris edged lower on profit-taking as market participants consolidated their positions on the last day of the bourse

Food stocks fell sharply including Générale Biscuit which lost FFr 300 to FFr 2,700. Among motor stocks tyre-maker Michelin was FFr 20 down at FFr 2,590

but Peugeot added FFr 10 to FFr 1,251. Zurich closed generally firmer, helped by the news that telecommunications groups Hasler and Autophon were planning a merger. Hasler registered shares added SFr 675 to SFr 7,400 and Auto-phon bearer shares rose SFr 100 to SFr

Milan, despite easing back from early gains, closed higher in all major sectors. Fiat rose L600 to L14,030, Olivetti L500 to L13,650, Pirelli L180 to IA,990 and Montedison L50 to L2,970.

Oslo benefited from the Opec agreement with gains seen among oils. Norsk Hydro added NKr 3.50 to NKr 145.50 and Saga Petroleum was 50 øre up at NKr

Stockholm closed lower under the continuing influence of Fermenta's suspension and allegations of insider trading. Madrid fell amid active profit-taking although some gains were seen in the communications sector and among

LONDON

THE OPEC output and pricing agreement boosted share prices in London as the market hoped benefits to sterling would lead to a reduction in the upward pressure on interest rates.

The FT-SE 100 index closed 20.00

higher at 1,6522 and the FT Ordinary index rose 14.0 to 1,286.1.

Government bonds opened sharply higher. Near-dated and longer-dated issues moved up amid optimism that interest rates would remain steady.

Chief price changes, Page 25; Details, Page 24; Share information service, Pages 22-23. .

HONG KONG

CORPORATE news and market rumours spurred Hong Kong over the 2,500 level to a new peak. The Hang Seng index gained 39.96 to close at 2,503.77. Its previous high of 2,467.13 was reached on December 11

reached on December 11.
Sentiment was boosted by Friday's announcement of a 30.7 per cent acquisition by Australian businessmen Mr William Wyllie in Wah Kwong, suspended since Thursday when it closed at \$\$1.40.

There was also speculation that the Swire group might float Hongkong Aircraft. Swire Pacific closed 40 cents up at HKS10 50 and Hongkong Aircraft area 5 HK\$19.50 and Hongkong Aircraft was 5 cents higher at HK\$50.

AUSTRALIA

MEDIA stocks continued to dominate trading in Sydney which closed at a re-cord with the all ordinaries index adding 3.8 to 1,460.8.

Media group News Corp's takeover target Herald and Weekly Times scored a 50 cent gain to A\$13.00 amid specula-tion of a rival bid from Mr Robert Holmes à Court. News Corp closed 10

cents lower at AS4.60.

Opec's decision to return to fixed prices for oil boosted energy stocks including Santos which added 12 cents to A\$4.12. Its takeover target Vamgas rose 5 cents to A\$3.10.

SINGAPORE

AN ABSENCE of fresh factors discouraged buying in Singapore and prices fell over a broad front. The Straits Times industrial index closed 5.22 lower at 896.39 with turnover down to 11.8m compared

with 13.7m on Friday.

Some of the biggest losses were seen among blue chips with banks registering a number of double-figure falls. OCBC was 20 cents down to S\$9.00, Malayan Banking 10 cents lower at S\$5.15, and OUB 8 cents off at S\$3.56.

Elsewhere SIA dipped 10 cents to S\$9.30, Haw Par Brothers 8 cents to S\$2.92, Keppel Shipyard 4 cents to S\$2.83 and Genting 10 cents to S\$6.40.

CANADA

OILS traded higher against the lower trend in most other sectors in Toronto. Among firmer energy shares Alberta traded CS% higher at C\$14, Dome Petroleum added 4 cents to C\$88, Imperial Class A was C\$% higher at C\$50% and Texaco Canada firmed C\$\% to C\$33. Industrials traded mostly weaker

Most sectors in Montreal traded marginally lower.



FINANCIAL TIMES CONFERENCES

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This 1987 conference, the fifth in a series arranged in association with New Media Markets, will bring together a distinguished panel of speakers to review the future of the new media at a critical turning point in their development.

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- DBS the satellite may fly but is it a business?

Hotel Inter.Continental, London

How will the international battle for the European audience turn out?

Mr Jon Davey

Mr lan Ellison, CBE

Mr Andrew Quinn

Granada Group PLC

Robert Fleming & Co Limited

Mr Charles Wigoder

Carlton Communications Pic

Cable Authority

Speakers include:

Mr David Meilor, MP Minister of State at the Home Office Mr Michael Checkland

Mr David Shaw Independent Television Companies Association Limited

Mr lan Clark Clyde Cablevision Limited

Date and Venue:

18 & 19 February, 1987

Cable Television

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Tel·	-	50 Y 1	2 2 - 2			-

Mr Rolf Arnim

Super Channel

Sky Channel

Eurosatellite GmbH

Mr Patrick Cox

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